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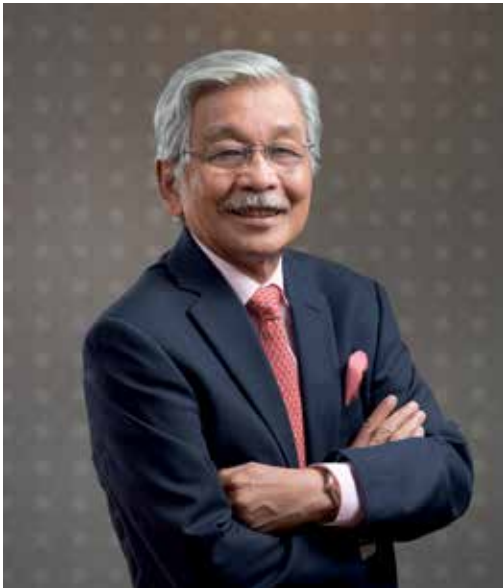
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FOREWORD

by Tan Sri Dato' (Dr) Abdul Rahim Abdul Rahman
Executive Chairman, Rahim & Co Group of Companies

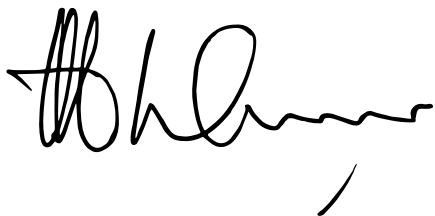
In 2023, the property market trend normalised with a more subdued year-on-year change in contrast to the strong rebound observed in 2022. The market's movement moderated as transaction activities returned to pre-pandemic level that diluted the low base effect of 2021/2022. Market performances were mixed across different states and different sectors, but the overall market did show stability that underlined its resilience. The current market trajectory resumes the gradual improvement trend that began in 2019 and weathered through an unexpected pandemic disruption.

Notwithstanding the recovery track, market sentiments remain on the side of caution. Concerns on the global geo-political stability and economic challenges continue to linger. This includes issues such as inflation-led high costs of living, homebuyers' affordability, global chain disruptions from ongoing regional conflicts and tensions, as well as disposable income levels of consumers. Despite these concerns, the economy still grew moderately, anchored by domestic demand, while unemployment numbers improved - bracing the property market momentum for the year.

The biggest segment of the property market, the residential sector, saw transaction activities returning to pre-2020 levels after consistent annual growth in 2021 and 2022. Boosted by returning buyers and interests, developers make headway with new launches albeit on a smaller scale in order to respond to demand levels more efficiently. On a pleasant note, overhang numbers improved in 2023 as developers placed focus on selling ongoing projects before launching new ones.

The commercial sector transactions grew healthily as businesses and commerce are back on track. With the return of both local and international visitors, the tourism and retail segments have picked up with bigger crowd footfalls although moving forward, growth is expected to normalise. The industrial sector also held its momentum as integrated high-tech industrial parks gained interests amongst investors and industrial players. The unveiling of the New Industrial Master Plan (NIMP 2030) in September 2023 highlighted the direction to transform Malaysia's industrial landscape through several key high-impact sectors which is expected to spur growth in specialised industrial hubs compared to generic industrial units.

I wish that the property market will continue to be reinvigorated to fuel its role as a key enabler in Malaysia's economic regeneration. As part of our commitment to keep our clients and the public informed on the current trends of the property market across all 14 states, I present to our readers ***Rahim & Co's Property Market Review 2023/2024***. May this lend an informative hand to any decision-making moments that you may have pertaining to the property sector with our sharing of insights amidst the heterogeneous market we find ourselves in now. For any enquiries our readers may have, our 23 offices located across Malaysia are readily available to attend to your property needs. That said, I wish all our readers a blissful and prosperous year ahead.

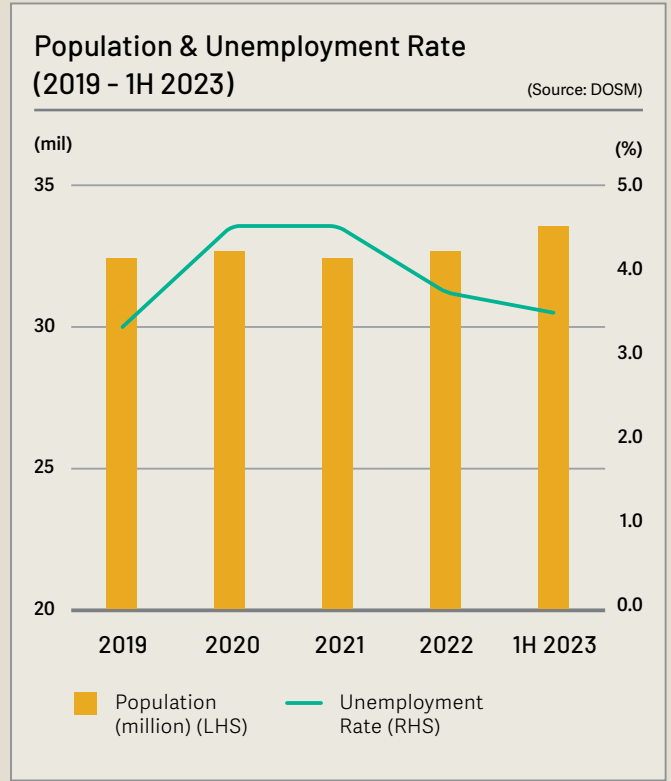
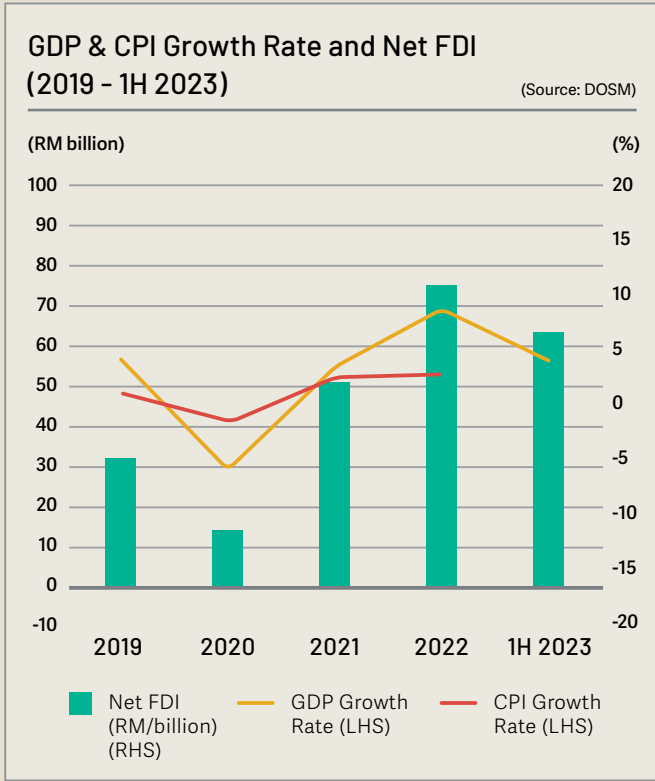


Tan Sri Dato' (Dr) Abdul Rahim Abdul Rahman
Executive Chairman, Rahim & Co Group of Companies

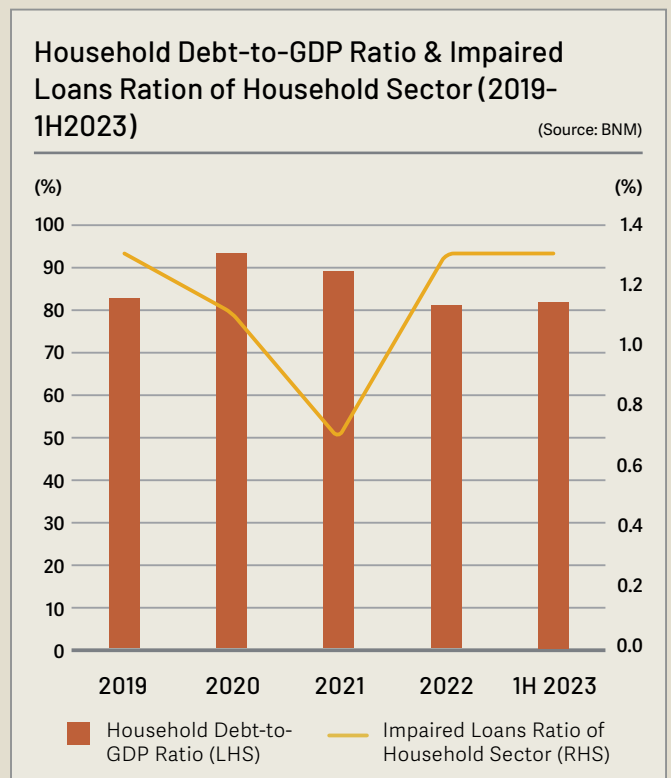
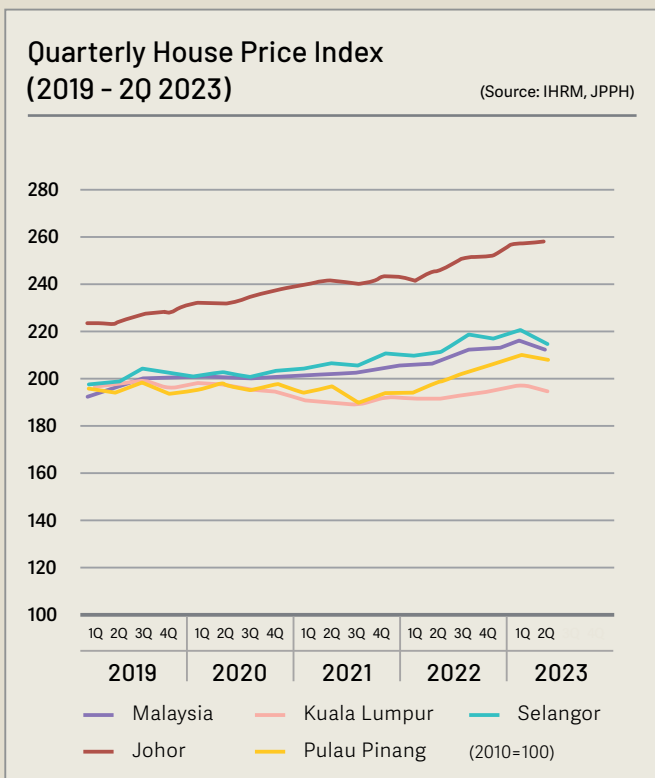


PROPERTY MARKET SNAPSHOT

▼ Key Economic Indicators



▼ Key Property Market Indicators



OVERHANG SNAPSHOT (as at 2Q 2023)

	Dwelling	Commercial	Industrial	Annual Overhang Movement (202022 vs 2Q 2023)	
	<i>*comprising residential units, serviced apartment units & SOHO units</i>	Shop Units	Industrial Units	Volume	Value
Perlis	26 <i>(RM3.5 mil)</i>	55 <i>(RM38.4 mil)</i>	10 <i>(RM5.0 mil)</i>	▼	▼
Kedah	619 <i>(RM204.5 mil)</i>	296 <i>(RM204.1 mil)</i>	–	▼	▼
Pulau Pinang	3,321 <i>(RM2.9 bil)</i>	123 <i>(RM80.0 mil)</i>	–	▼	▼
Perak	3,344 <i>(RM995.6 mil)</i>	687 <i>(RM329.0 mil)</i>	54 <i>(RM43.1 mil)</i>	▲	▲
Kuala Lumpur	9,494 <i>(RM9.3 mil)</i>	82 <i>(RM50.0 mil)</i>	–	▲	▲
Selangor	7,928 <i>(RM6.0 bil)</i>	370 <i>(RM437.0 mil)</i>	45 <i>(RM105.8 mil)</i>	▼	▼
Negeri Sembilan	695 <i>(RM368.5 mil)</i>	432 <i>(RM276.6 mil)</i>	41 <i>(RM22.7 mil)</i>	▼	▼
Melaka	657 <i>(RM254.6 mil)</i>	230 <i>(RM178.7 mil)</i>	10 <i>(RM9.7 mil)</i>	▼	▼
Johor	18,412 <i>(RM15.9 bil)</i>	1,632 <i>(RM1.7 bil)</i>	216 <i>(RM497.8 mil)</i>	▼	▼
Kelantan	537 <i>(RM164.1 mil)</i>	218 <i>(RM127.1 mil)</i>	–	▼	▼
Terengganu	489 <i>(RM184.6 mil)</i>	105 <i>(RM105.0 mil)</i>	14 <i>(RM4.9 mil)</i>	▼	▼
Pahang	701 <i>(RM289.3 mil)</i>	461 <i>(RM325.9 mil)</i>	84 <i>(RM55.7 mil)</i>	▼	▼
Sarawak	1,998 <i>(RM848.0 mil)</i>	1,103 <i>(RM1.3 bil)</i>	324 <i>(RM221.8 mil)</i>	▲	▲
Sabah	2,555 <i>(RM1.1 bil)</i>	559 <i>(RM424.1 mil)</i>	21 <i>(RM18.0 mil)</i>	▼	▼
Malaysia	51,126 <i>(RM38.9 bil)</i>	6,362 <i>(RM5.6 bil)</i>	819 <i>(RM984.6 mil)</i>	▼	▼

■ Northern Region

■ Central Region

■ Southern Region

■ East Coast Region

■ East Malaysia Region

MALAYSIA



▼-1.0%

▲1.3%

▲0.9%

▼-2.5%

NORTHERN REGION



Perlis

▲4.3%

▼-5.5%

▲2.9%

▲44.4%

Kedah

▲3.2%

▼-0.7%

▼-3.3%

▼-48.9%

Pulau Pinang

▼-2.2%

▲0.3%

▲1.4%

▲10.6%

Perak

▼-14.0%

▼-0.5%

▲10.6%

▼-20.8%

SOUTHERN REGION



Melaka

▼-0.5%

▼-3.5%

▼-6.3%

▼-11.7%

Johor

▲39.9%

▼-1.7%

▼-2.2%

▲29.3%

TRANSACTION
ACTIVITY
SNAPSHOT

CENTRAL REGION



Kuala Lumpur

▼-6.5%

▲1.9%

▲1.2%

▼-17.7%

Selangor

▼-7.4%

▲2.7%

▲1.5%

▼-4.6%

Negeri Sembilan

▲14.6%

▼-0.3%

▲1.0%

▲1.0%

LEGEND



Residential

Transaction Volume Change



Office

Occupancy Rate Change



Retail

Occupancy Rate Change



Industrial

Transaction Volume Change

Increase

Stable

Decrease

Note: Changes recorded based on
1H2022 to 1H2023

EAST COAST REGION



Kelantan

▼-19.5%

▲0.5%

▲0.6%

▼-61.1%

Terengganu

▼-0.3%

▲0.6%

▲0.7%

▲5.9%

Pahang

▼-18.1%

▲0.1%

▲0.3%

▼-27.6%

EAST MALAYSIA REGION



Sarawak

▼-7.5%

▲0.4%

▲0.1%

▲13.0%

Sabah

▼-15.8%

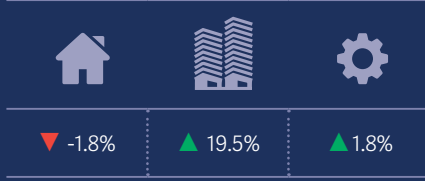
▲1.7%

▲4.1%

▲22.0%

TRANSACTION VALUE SNAPSHOT

MALAYSIA



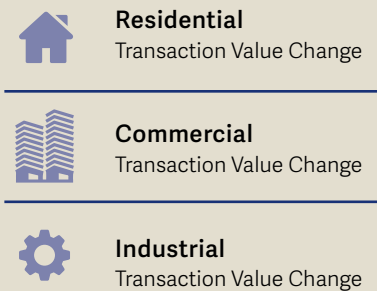
NORTHERN REGION



CENTRAL REGION

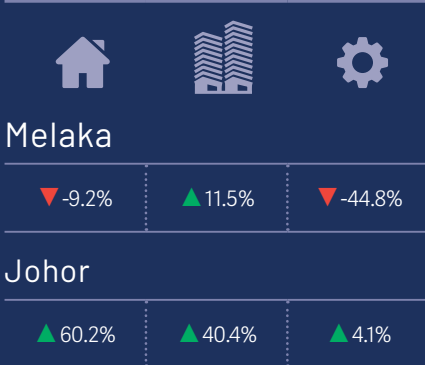


LEGEND



Note: Changes recorded based on 1H2022 to 1H2023

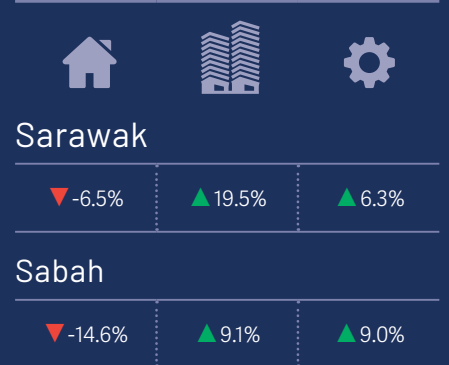
SOUTHERN REGION



EAST COAST REGION



EAST MALAYSIA REGION



2023 IN REVIEW AND THE YEAR AHEAD



The Malaysian economy expanded in 2023 but at a slower growth than 2022's strong rebounding performance. Anchored by domestic demand with an added boost from returning tourist crowds, the first three quarters of 2023 saw consistent positive GDP growths albeit lower than 2022's high comeback. Starting at 5.6% for 1Q 2023, the economy moderated to a lower 2.9% in 2Q 2023 but came back up at 3.3% in 3Q 2023. Combined, this puts the country's first nine months economic expansion to 3.9% for 2023. Both the Ministry of Finance (MOF) and Bank Negara Malaysia are projecting annual GDP growth to be at around 4% for 2023 and 4% to 5% in 2024. Initially forecasted at 4.3%, the World Bank has reduced its projection down to 3.9% on account of substantial deceleration in external demand though 2024 is expected to hold at 4.3% following anticipated global recovery growth.

At the international level, Malaysia saw improvements in its global rankings as the country's political scene stabilises as well as the efforts by the government to

increase efficiency and sustainability in the market gained investors' attention. Malaysia's ranking climbed five spots to 27th place in the World Competitiveness Ranking 2023 by the International Institute for Management Development and rose two spots to 18th place in the 2023 Global Financial Inclusion Index. As Malaysia steadily returns to the global investment radar, foreign direct investment (FDI) commitments secured for the first nine months of 2023 also increased to a total of RM230 billion.

On the domestic front, household spending is supported by continued steady improvement in unemployment rates and wage increments, although concern amongst consumers is still evident. Between 2021 to 3Q 2023, unemployment rates had consistently declined over the quarters, ending at 3.4% in 3Q 2023. Median wages have also been reported to increase by 4.9% nationally in June 2023, according to the Department of Statistics Malaysia (DOSM). All states have also recorded positive y-o-y growths. However, the Consumer Sentiment Index by the

"TOGETHER, OPTIMISTIC ECONOMIC INDICATORS SET AGAINST A PESSIMISTIC SENTIMENT PAINT A COMPLEX PICTURE TO COMPREHEND - YET OPPORTUNITIES AND POSITIVE ANTICIPATIONS REMAIN ALBEIT CAUTIOUSLY APPROACHED."

Malaysian Institute of Economic Research (MIER) paints a more subdued picture as 2023 saw a negative downtrend in its index for the three quarters, ending at 78.9 points in 3Q2023. The consensus felt the inflationary pressure to be a threat to their disposable spending power and were pessimistic about future income growth and job opportunities.

Businesses too felt similar negative sentiments as reflected by the continued decline in MIER's Business Conditions Index. Starting at 95.4 points in 1Q2023, sentiments fell in 2Q2023 at 82.4 points and 3Q2023 at 79.7 points. This is the lowest since 2Q2020's initial pandemic outbreak. Though domestic orders have shown some incline, the slowdown in external demand bears weight on sales amid rising operational costs.

The retail segment expressed similar cautionary sentiments as retail spending levels of 2023 fell short of the market reopening high base effect of 2022. Initially projected at 4.8% annual growth for the retail industry, the contraction of -4% in 2Q2023 has dampened expectations down to 2.8% in the forecast by Retail Group Malaysia. Notably, 3Q 2023 pulled back up with a better-than-expected 2.7%. As a whole, despite shopping traffic having returned to pre-pandemic levels, weakened spending power is felt on the consumer side due to higher cost of living – just as with retailers too facing rising operational costs.

Together, optimistic economic indicators set against a pessimistic sentiment paint a complex picture to comprehend - yet opportunities and positive anticipations

remain albeit cautiously approached. While price-related threats are somewhat coped with and market activities are back, the fear and caution of reduced spending power and continued rising cost are influential enough to have consumers and businesses being cautious to prepare for any further challenges ahead. Being accommodative to the gradual growth trajectory, Bank Negara Malaysia had only increased the Overnight Policy Rate (OPR) once in May 2023, putting OPR at 3.00% and maintaining it throughout the year.

On the property sector, following the strong rebound of 2022 in property market transactions, 2023 came through at a more moderate pace. The year began with a slight slowdown as transaction activities recorded a 5.7% drop year-on-year for the first quarter. This was immediately followed by a growth of 1.8% in the second quarter and 3.7% in the third quarter, which ultimately nursed the nation's market performance for the first 9 months of 2023 on par with 2022. While it is yet to be seen if 4Q 2023 will stay on the upward trend, 2023 thus far has positioned itself to be the highest in number of transactions for the first 9 months since 2012's peak point. Market normalisation aside, 2023 remained coherent to the post-pandemic recovery pace and above pre-2020 performance.

As of the first half of the year, the overall number of transactions was showing similar sizes to the previous period with a 1.1% increase in value of transactions. This had improved with the 3rd quarter performance contributing to the collective numbers for the first 9 months of the year. 9M2023 recorded 293,095 property

transactions worth RM142.5 billion, maintaining its position with just a 0.01% drop in volume from 9M2022 at 293,115 property transactions worth RM131.0 billion. The total value of transactions, on the contrary, showed an annual growth of 8.8%. Of the three key sectors, both the residential and commercial sectors grew whilst industrial saw a slight decline in volume (albeit an increase in value). Standing out strong in growth is the commercial sector with 22.3% and 24.8% growth in volume and value respectively – indicating commercial activities regaining momentum.

Holding its position as the biggest sector in transaction share, the residential sector saw its portion returning to pre-2020 proportion of the market underlined by increased activities in the commercial and industrial sectors as the economy improves. House price growth, after having experienced some adjustments within the two pandemic-driven years, showed a more stable movement with positive growths seen from 2022 to 2023. Within the first 3 quarters of 2023, price increase kept at a steady and moderating pace. Having faced a challenging period in the mid to late 2010s, developers took a more cautious approach to new launches by way of smaller-scale phases and prioritising ongoing projects over newer ones.

Dwelling overhang numbers showed small but consistent improvement over the three quarters of 2023 with 3Q2023 recording 49,364 dwelling units (residential units with serviced apartments and SOHO units included) worth RM36.9 billion lower than 1H2023's 51,126 units worth RM38.9 billion. This marks the first period that overhang dwelling stock has returned to below 50,000 since 2019. Overhang dwelling stock peaked in 4Q2021 at 63,432 units worth RM44.5 billion. As buyers inching up in their confidence in property purchases, be it for self-occupation or investment, established neighbourhoods with stronger and more consistent domestic demand displayed better growth compared to other hotspots that were more speculation-driven investments. Nevertheless, prices for these hotspots remain high in the market, albeit at a slower growth pace.

A survey conducted by REHDA and released in August 2023 indicated developers had better confidence in 2023 for the residential sector as 1H2023 had already accounted

for 86% of 2022's total new launches and 2H2023 anticipated even higher numbers. Sales performance too showed improvement but still leaves room for higher expectations. Nevertheless, cost struggles remain as developers continue to face material price hikes, cross-subsidisation and high compliance costs.

2023 also saw more focus being put on delayed and abandoned projects that have been categorised as 'sick' and involved numerous buyers falling victim to unfinished houses for years. As of June 2023, the Local Government Development Ministry (KPKT) had identified 481 'sick' projects and 112 abandoned projects across Malaysia; all of which have exceeded their scheduled completion period. This also included 21 sick projects under the 1Malaysia Housing Programme (PR1MA). In their effort to resolve the unfinished issue and bring closure to the affected homebuyers, a task force has been formed to oversee the matter and is in talks with relevant agencies and state governments to revive these projects.

The retail side of the commercial sector saw minor improvement as new completions had slowed down in the past 2 years from delays, giving way for demand to catch up but it is still not out of the woods yet as past delayed projects are coming online in the next 12 months. For Klang Valley, the opening of large malls such as The Exchange TRX and Pavilion Damansara Heights has brought more pressure to an already competitive market, each bringing an estimated 1 million sf of retail space. As of 1H2023, the country has a total of 14.61 million sf



of new retail mall space currently under construction. The top three states contributing to this new supply are Kuala Lumpur (5.15 million sf). Selangor (3.56 million sf) and Pulau Pinang (2.05 million sf). With more new supply anticipated, continued pressure on occupancy and rentals is still expected – though the newer establishments may have the edge over the older stock with better and more attractive designs, ambiance and positioning.

In the office segment, a similar competitive landscape is seen as new office towers present corporate tenants with even more options, enabling them to be more discerning in their choices. Many of these new office towers have focussed on the quality of spaces provided that are green-certified and with advanced communication technology backbone. As hybrid working is here to stay, the demand for collaborative working spaces and flexible office spaces holds a significant portion of the overall demand for office space. Additionally, corporations are recognising

the benefits of environmental, social & governance (ESG) factors, amenity-rich locations and convenient connections to existing and new transportation lines. In the pipeline, Klang Valley will be expecting 11 million sf of new office space to hit the market and bring more pressure to occupancy levels. Already there are 42 million sf of vacant office space readily available though this also includes older office buildings that have fallen out of favour in comparison to the newer, more cost-worthy sky-scraping office towers equipped with more appealing amenities.

For the industrial sector, interests remain for newer, integrated industrial parks and supply responding in return with new plans announced for several states, including new logistics hubs. On 1st September 2023, the New Industrial Master Plan (NIMP 2030) was unveiled with the plan aspiring to chart Malaysia's industrial transformation from 2023 to 2030. Keeping in line with the New Investment Policy (NIP), the NIMP 2030 aims to enhance future exports of more complex products from five identified sectors: aerospace, chemicals/ petrochemicals, digital economy, electrical & electronics (E&E) and pharmaceuticals. On the supply side, 2024 will see developers attempting to cater to specific industrial needs as the unique appeal factor as opposed to generic industrial offerings. Staying true to its stable performance, the industrial sector remains a steady pillar as Malaysia continues to be one of the hub of choice within the Southeast Asia region. The Ministry of Investment, Trade and Industry has revealed that of the RM230 billion foreign direct investment (FDI) commitments secured up to September 2023, most come from China, Korea, Japan and Singapore.

After having faced some lagging years due to the pandemic in 2020, the tourism segment is looking on the up with a record 14.4 million tourist arrivals in the first nine months of 2023, generating RM49 billion in tourist receipts. This pushed the full-year forecast to 19.1 million from the initial 16.1 million. As announced in Budget 2024, the next Visit Malaysia Year has been set for 2026 and with that, the government targets 26.1 million foreign tourist arrivals with a spending of RM97.6 million – returning to pre-2020 times. To meet this future demand for accommodations, several renowned hotel chains were seen to make their debut as well as further expansions on Malaysian shores.



"THE MODERATING GROWTH PACE OF 2023 IS LIKELY TO SPILL OVER INTO 2024 AS THE MARKET RECALIBRATES ITSELF WITH THE INJECTION OF LONG-DELAYED NEW OFFERINGS."

In improving equitability within the property sector, the government continued to focus on the needs of the lower-income group through Budget 2024 which was tabled in October 2023. Taking on a more targeted approach to benefit the lower-income groups, Belanjawan 2024 saw more property-related incentives aimed at providing affordable housing, increasing financial support and reviving 'sick' and abandoned projects nationwide. While the efforts proposed by the government to improve the rakyat's well-being are welcomed and commendable, more incentives aimed at the mass market are still needed to create a bigger impact to boost the property market as a whole.

Moving forward, opportunities are seen for the landed homes segment as it remains the top preferred choice and its popularity is evidenced in the successful sales of projects offering units at affordable prices. For high-rise developments, the value-added presence of a transit station in close vicinity gives the advantage to investors looking to capitalise on the growing rental market, especially amongst public transport users living within Transit-Oriented Development (TOD) areas. Despite the concern of rising prices and the seemingly furthering reach of homeownership, residential demand will always remain and will see continued shifts in terms of prices, design and locality.

For investors and homebuyers, concerns mainly revolve around disposable income capacity and monthly expenses and commitments, on top of the lurking uncertainties raised by the lingering global economic situation coming from war conflicts and trade disruptions. Domestically,

the OPR movement remains a key factor to affordability to many homebuyers, and although the levels have been stable since May 2023, any further increase in OPR may have a significant impact on homebuyers' appetite.

Across the different regions in the country, various projects and proposed plans are underway to strengthen local economic growth and opportunities. This includes the proposed industrial projects in the northern region to be developed with new high-tech industrial parks, like the E&E cluster in Kerian, Perak and AREA Data Centre Campus in Delapan Special Border Economic Zone in Kedah. As the progress bar advances for ECRL, the East Coast region is poised to unlock potential new spots along the rail alignment. In the south, the creation of a special financial zone in Forest City is hoped to catalyse growth in the southern state of Johor as an International Financial Hub.

To conclude, the moderating growth pace of 2023 is likely to spill over into 2024 as the market recalibrates itself with the injection of long-delayed new offerings. Policy-based enablers such as the MM2H and perhaps the once-debated Residential Tenancy Act would be key to seeing more traffic for both the foreign buyers market and the rental segment of the property market. Only with an even playing field would there be higher confidence from renters and investors in the tenancy market. As the property market is heterogeneous, opportunities are seen in several key areas – some of which are long-known hotspots that had dwindled as of late but recently invigorated through new catalytic infrastructures and policies.



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Tenancy

Matured
Neighborhood
Cheras &
Seri Kembangan

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Population
up to 70,000
Balakong

Prominent
Frontage
For Business
Sustainability

AKASA Business Park offers a prime location for thriving commercial activities. With boutique shops, signature offices, and modern amenities, it sets a new standard in Cheras South. The Freehold business park features a central plaza, lush landscaping, and sheltered courtyards, ideal for F&B outlets, leisure, or workspaces.

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 HAP SENG LAND

NORTHERN REGION

Perlis

Kedah

Pulau Pinang

Perak





Georgetown, Pulau Pinang

Capital: Kangar

Est. Population: 292,700

Area (km²): 816

(Source: DOSM)

PERLIS

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	27,223 units	1.7% y-o-y ▲
Transaction Volume	579 units	4.3% y-o-y ▲
Transaction Value	RM119.78 mil.	9.3% y-o-y ▼

RETAIL

Supply	0.61 mil. sf	0.0% y-o-y ■
Occupancy Rate	84.5%	2.9% y-o-y ▲
Rental	RM0.50 psf – RM13.00 psf	

SHOP OFFICE

Supply	5,772 units	1.1% y-o-y ▲
Transaction Volume	83 units	36.1% y-o-y ▲
Transaction Value	RM39.69 mil.	21.8% y-o-y ▲

HOTEL

Existing Supply	1,245 rooms	0.0% y-o-y ■
Incoming Supply	120 rooms	

INDUSTRIAL

Supply	296 units	0.0% y-o-y ■
Transaction Volume	13 units	44.4% y-o-y ▲
Transaction Value	RM740 mil.	54.8% y-o-y ▲

RESIDENTIAL

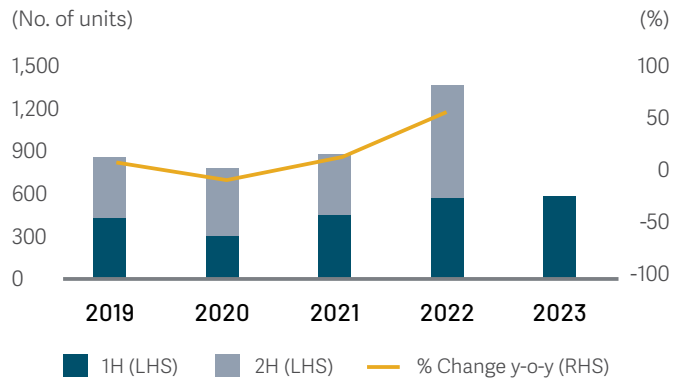
As at 1H2023, the residential market of Perlis was sized at 27,223 units in existing stock, with the majority being landed properties; terraced, semi-detached and low-cost units. Of the three, both low-cost homes and terraced units hold close to equal stock share of 33.6% and 33.8% respectively. High-rise units remain in minority at 8.6%. By locality, the top three mukims in residential stock are Kuala Perlis, Sena and Utan Aji.

In the pipeline, there are 1,360 residential units currently under construction with all being landed properties. Primarily made up of terraced and semi-detached units, some of the areas involved include Padang Siding and Sungai Adam. Low-cost homes remain the preferred product as evidenced by the presence of 534 new units in construction.

On the transaction front, 1H2023 saw demand taking a slower pace from 2022's pent-up affect, showing a more moderate growth of 4.3% in volume and a slight fall of 9.3% in value. This brings 1H2023 residential market performance to 579 transactions worth RM119.78 million. By price range, transactions primarily remain below RM300,000 at 80.1% market share. Of the transacted properties, terraced units take the lead at 37.3% market share with the next two being low-cost homes at 21.9% and vacant plots at 20.7%.

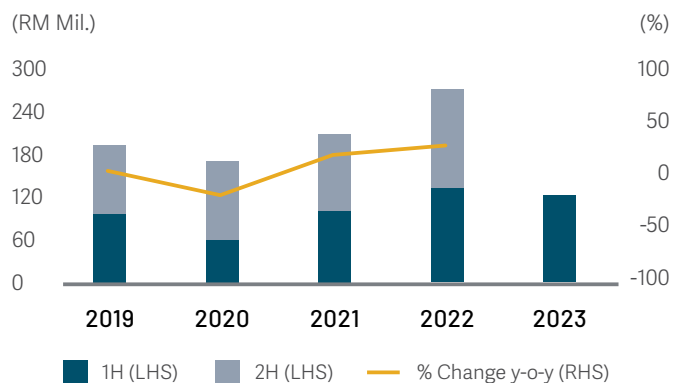
Volume of Residential Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)



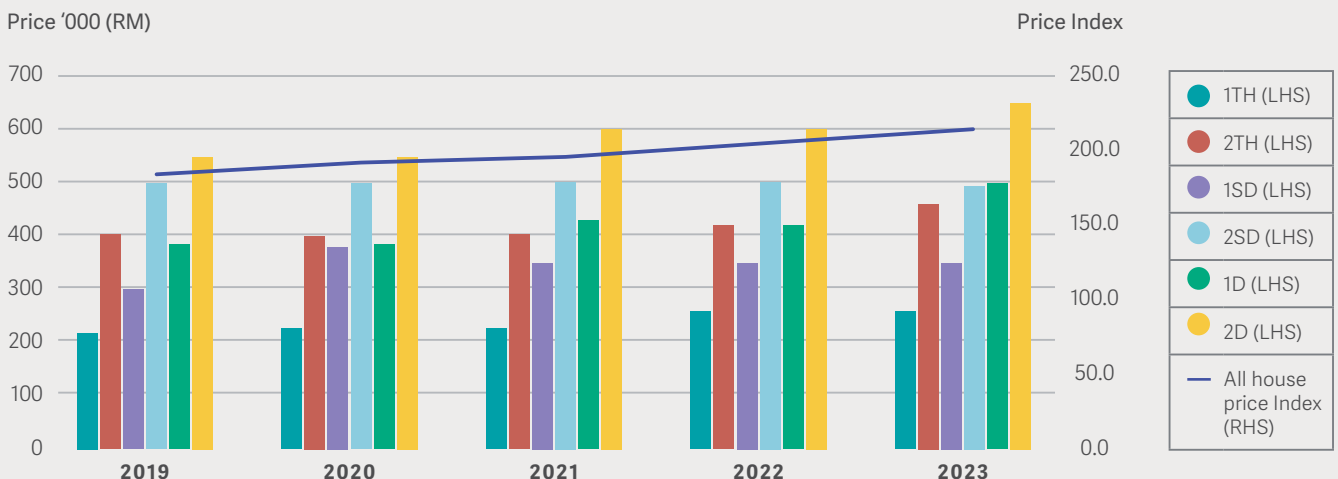
Value of Residential Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)



Kangar Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Perlis

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Taman Seri Embun	Kangar	1-sty Semi-Detached	18	From RM379,800	2023
		2-sty Semi-Detached		From RM499,570	
		1-sty Detached		From RM539,570	
		2-sty Detached		From RM798,000	
Taman Empiang Ceria	Kangar	1-sty Terraced	33	From RM300,000	2023
		1-sty Semi-Detached	54	From RM400,000	
Taman Saujana Idaman	Arau	1½-sty Terraced	109	From RM278,000	2024
Taman Utama Jaya 3	Kechor	2-sty Terraced	15	From RM345,000	2024
		1-sty Semi-Detached	10	From RM355,000	
Taman Kechor Indah	Kechor	1-sty Terraced	33	From RM258,000	2024
		1-sty Terraced	40	From RM278,000	
		1-sty Semi-Detached	54	From RM368,000	

In their effort to improve the housing supply in Perlis, Syarikat Perumahan Negara Berhad (SPNB) has scouted Padang Besar as one of the potential areas for future transit-oriented developments (TOD) in order to capitalise on the Padang Besar KTM Station. This is aimed to encourage higher public transportation usage amongst the locals.

RETAIL

As at 1H2023, no new retail entrants were recorded for the first half of the year which leaves the existing retail mall space of Perlis to remain at 607,311 sf. Out of the 22 retail establishments, Kangar holds the largest at 13 buildings whereas the areas of Jejawi and Padang Besar have 3 buildings each.

Occupancy rate showed a small improvement of 2.9%, giving a slightly higher average retail demand to 84.5% occupancy. In the pipeline, 5 new establishments are recorded with a total size of 414,696 sf of upcoming retail space currently in construction. These will be in the areas of Kangar and Padang Besar.

After its closure for the past 8 years since 2015, Arked Niaga Wang Kelian & Pasar Pertanian Pelancongan is currently being pushed for reopening as economic

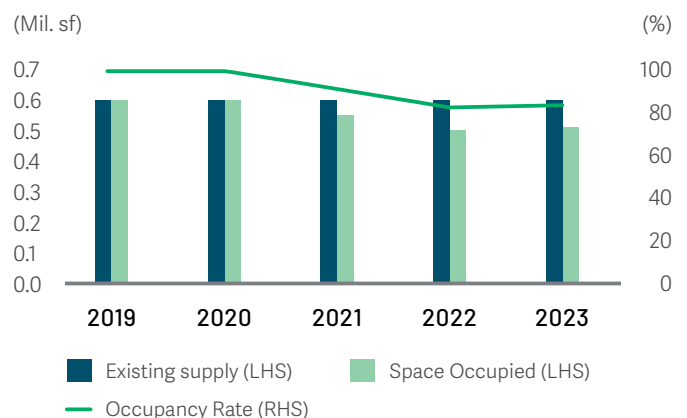
activities gradually resume. Under the management of Perlis Forestry Department, reason of delayed reopening was primarily due to limited number of businesses showing interest.

The fourth quarter of 2023 may see the opening of two new retail complex. One being the Kompleks Pavilion offering 110 commercial lots and the other, Plaza Niaga Padang Besar.

Following the status of the upcoming Kangar City Centre (KCC), Perbadanan Kemajuan Ekonomi Negeri Perlis (PKENPs) ended their joint venture contract with Safuan

Existing Supply & Occupancy Rate of Retail Spaces in Perlis (2019-1H 2023)

(Source: JPPH)





Group Bhd and is now searching for a new investment partner. On another delayed project, the K-Parc Mall will see its construction resuming in 2024 after being on hold since the pandemic period.

SHOP OFFICE

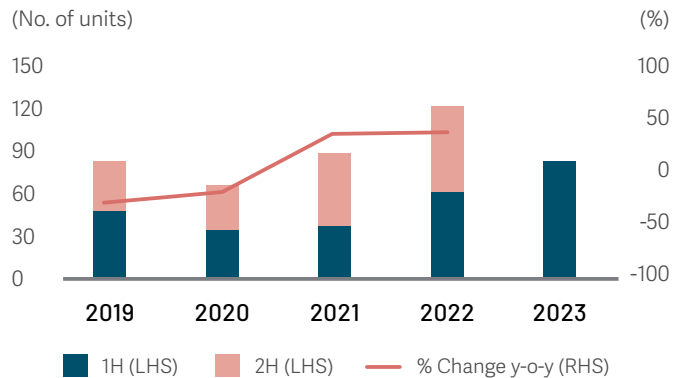
As at 1H2023, shop-office transaction activities grew by 36.1% in volume and 21.8% in value – bringing market performance to 83 transacted units worth RM36.69 million. The significant growth percentage is due to the state’s small market size and 1H2023 has thus far shown the highest in volume since 2019, indicating strong recovery from 2020’s bottom point. Of the 83 units transacted, most were priced below RM500,000 and consist of 2 to 3-storey shop office units.

Of the existing stock, the shop office market of Perlis stands at 5,772 units ranging from pre-war to 6-storey types. The highest in stock is 2-storey types with 59.6% supply share and the top 3 areas by supply are Bandar Kangar, Seriap and Titi Tinggi.

There are 280 upcoming units in the pipeline with 72% being 2-storey types. The top two areas expecting these new units are Kuala Perlis and Sungai Adam.

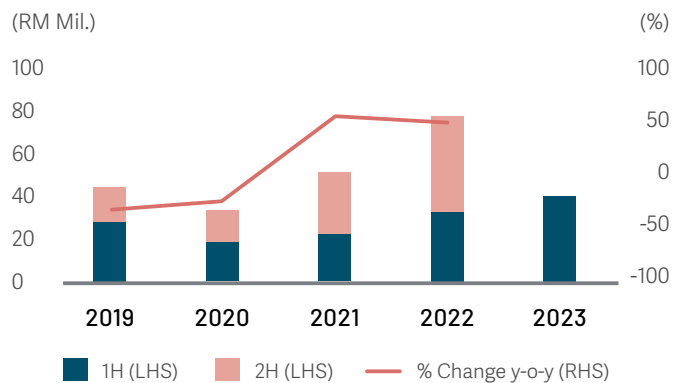
Volume of Shop Office Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)



HOTEL

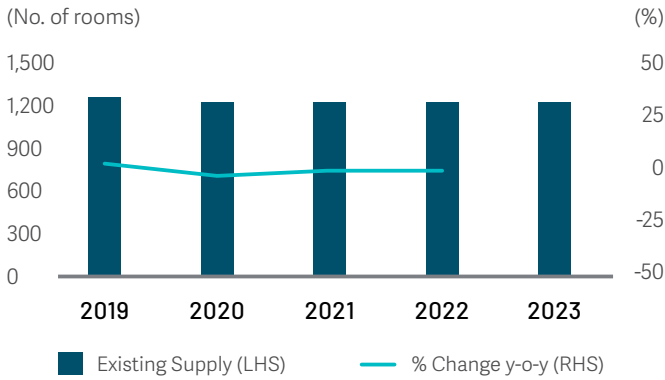
As at 1H2023, the supply of hotel rooms in Perlis has remained unchanged at 1,245 rooms with 32 hotel establishments. No new supply was seen entering the market despite incoming stock having been logged at 120 rooms since 2018. The majority of the room supply here is in the 3-star category and there are no 5-star rated hotels in Perlis.

In their effort to boost the tourism sector of Perlis, MyEco Discovery Sdn Bhd announced the soft launch of ClubRock Perlis, the first-ever rock climbing base camp and eco-adventure hub in the state. This is aligned with the Visit Perlis Year 2024-2025.

In part of the government’s mission to maintain and restore local tourism hotspots, a portion of the RM20 million allocated funds proposed in Budget 2024 is for the maintenance of Tasik Timah Tasoh.

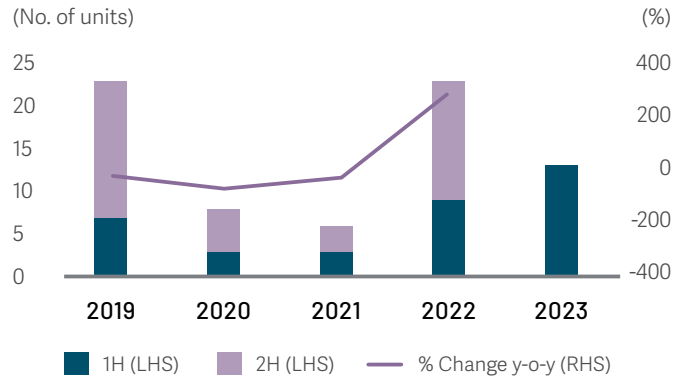
Existing Supply of Hotels in Perlis (2019-1H 2023)

(Source: JPPH)



Volume of Industrial Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)



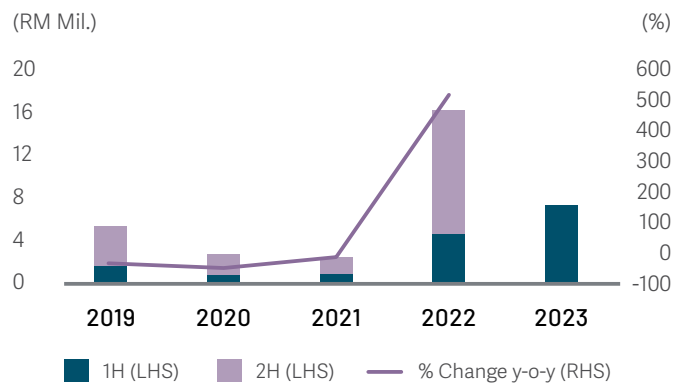
INDUSTRIAL

The industrial sector of Perlis shows continued improvement in market activities, registering growth in volume and value of 44.4% and 54.8% respectively. 1H2023 registered 13 transacted units worth RM7.40 million. Despite the small market size, transaction activities continue to surpass pre-pandemic levels.

Supply of industrial properties remains the same at 296 units with 158 units being terraced types. There are only 22 units in the pipeline with most also being the terraced types and are located in Mukim Seriap. The presence of industrial properties are mainly concentrated in the areas of Jejawi, Kuala Perlis, Seriap and Titi Tinggi.

Value of Industrial Property Transactions in Perlis (2019-1H 2023)

(Source: JPPH)

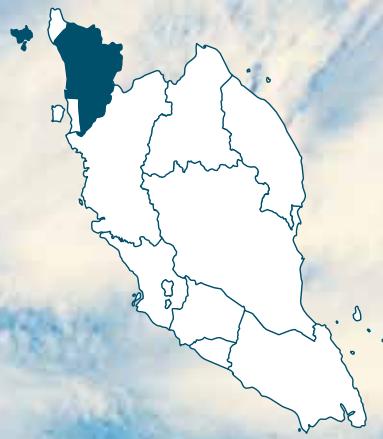


NOTABLE ANNOUNCEMENTS

- Kuala Perlis is to be developed as a motorsports hub and extreme sports tourism destination in order to attract more tourists to the state.
- The Sanglang Integrated Jetty project will be developed in 4 phases: Phase 1A, Phase 1B, Phase 2 and Phase 3. It is developed under the Perlis Maritime Corridor and is aimed to facilitate the state's development in terms of logistics, tourism, aquaculture and fisheries.
- Proposed under Budget 2024 is the construction of a road from Long Boh to Behor Mempelam in Tambun Tulang.



Chuping Limestone Hills



Capital: Alor Setar

Est. Population: 2,187,500

Area (km²): 9,492

(Source: DOSM)

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	348,384 units	1.2% y-o-y ▲
Transaction Volume	6,401 units	3.2% y-o-y ▲
Transaction Value	RM1.62 bil.	2.6% y-o-y ▼

RETAIL

Supply	6.48 mil. sf	1.7% y-o-y ▲
Occupancy Rate	69.8 %	3.3% y-o-y ▼
Rental	RM3.50psf – RM18.50psf	

SHOP OFFICE

Supply	31,109 units	0.5% y-o-y ▲
Transaction Volume	459 units	7.6% y-o-y ▼
Transaction Value	RM200.61 mil.	8.5% y-o-y ▼

HOTEL

Existing Supply	13,154 rooms	0.7% y-o-y ▼
Incoming Supply	756 rooms	

INDUSTRIAL

Supply	3,873 units	0.1% y-o-y ▲
Transaction Volume	164 units	48.9% y-o-y ▼
Transaction Value	RM539.01 mil.	5.2% y-o-y ▲



RESIDENTIAL

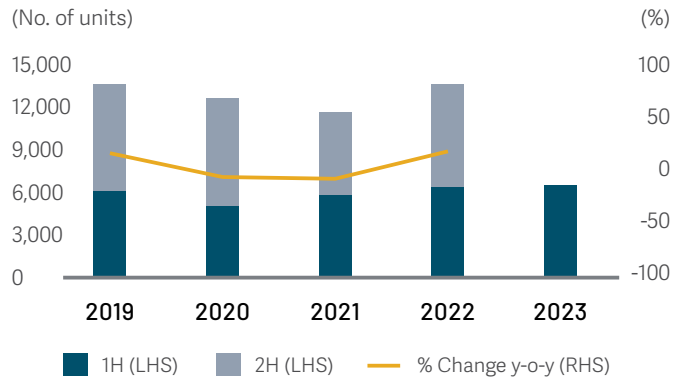
1H2023 saw Kedah’s residential sector continuing the growth momentum though at a slower pace with a 3.2% increase in volume and 2.6% increase in value, putting the first 6 months sector performance at 6,401 transacted units worth RM1.62 billion. This indicates that the residential market of Kedah is holding well after 2 years since 2020’s bottom point.

As evidence of high demand for the affordably priced units, 70.9% of the transactions were priced below RM300,000. By type, 1-storey terraced homes take up 28.0% of market share followed by low-cost houses at 20.8%. By district, Kuala Muda sees the highest number at 2,910 transactions and followed by Kulim at 1,377 transactions. Sungai Petani falls under the Kuala Muda district and is one of the popular residential areas for the locals.

On the existing stock, Kedah’s residential supply is at 348,384 units with the highest supply share being low-cost houses at 29.5%. This is followed by 1-storey terraced houses at 26.5% and 1-storey semi-detached houses at 16.7%. Kuala Muda holds the highest concentration of residential stock at 136,016 units, equivalent to 39.0% supply share. A small growth of 1.2% year-on-year is registered for 1H2023 with a sizable 18,808 new units in construction across the state. Kulim will be welcoming 45.7% of the incoming residential units, followed by Kuala Muda with 31.1%.

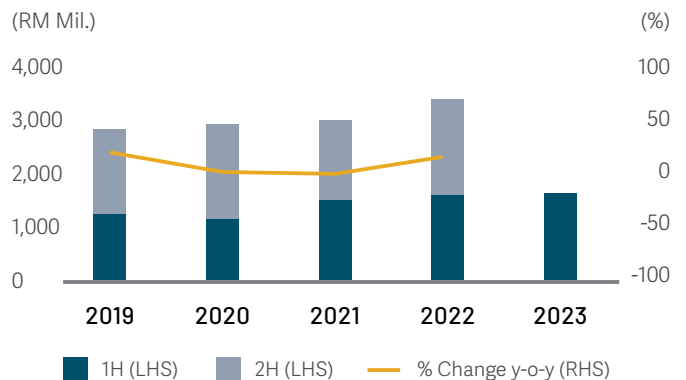
Volume of Residential Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



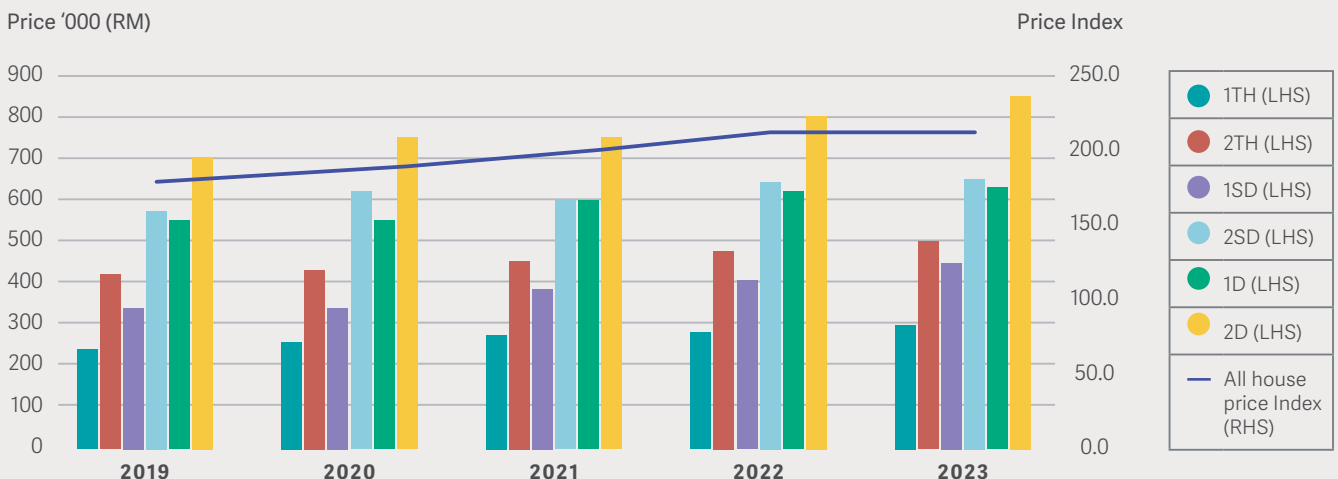
Value of Residential Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



Alor Setar Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Kedah

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Taman Bintang Maya 3	Sungai Petani	2-sty Terraced	60	From RM418,000	2023
Taman Seri Putat	Jitra	1-sty Terraced	30	From RM269,000	
Taman Purnama		1-sty Semi-Detached	30	From RM337,500	
Taman Derga Perdana	Alor Setar	1-sty Semi-Detached	54	From RM358,000	
Taman Universiti Bestari (Ph 4)	Bedong	1-sty Terraced	52	From RM249,000	2024
Taman Universiti Bestari		1-sty Semi-Detached	54	From RM304,000	
Sierra Prime @ Bukit Banyan	Sungai Petani	2-sty Semi-Detached	24	From RM850,000	
Avani Heights@Amanjaya		1&2-sty Detached	72	From RM712,000	
Parc Residensi 2 @ Aman Parc		2-sty Townhouse	173	From RM397,708	2025

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Lavanya Residence	Langkawi	Serviced Apartment	223	From RM1.495 mil	2023
G Residence	Alor Setar	Condominium	120	From RM330,000	2023
The Bay Residences @ Aman Laut	Kuala Kedah	Serviced Apartment	152	From RM286,000	2025
D'Aman Residence (Block A)	Alor Setar	Serviced Apartment	134	From RM383,000	2024
D'Aman Residence (Block B)			135	From RM403,000	2025
Tropicana Cenang	Langkawi	Serviced Apartment	831	From RM460,000	2026

Darulaman Lagenda in Sungai Petani by Lagenda Properties Bhd in partnership with Bina Darulaman Bhd saw success with its first phase fully taken up in less than a week from its launch. First phase comprised of 282 units of affordable landed homes with prices starting from RM200,000. Completion is expected by 2025. BDB has also embarked on another major development project in January 2023 with the launch the Darulaman Saujana Affordable Township. Located in the area of Hosba, Changlun, homeowners of these new affordable units will benefit from its strategic positioning close to two major projects, namely SBEZ (Special Border Economic Zone) and KSTP (Kedah Science and Technology Park) in Bukit Kayu Hitam.

In Gurun, LFE Development Sdn Bhd (LDSB) has inked a joint venture agreement (JVA) with Aziho Trading Sdn Bhd (ATSB) for the development of Taman Residensi Mesra Phase Four on 175 hectares land.

PPB Properties has unveiled their first township in Bedong named Lumina Bedong. With an estimated GDV of RM900 million, the entire township sits on a 228-acre freehold land and will approximately have 1,500 units of affordable landed homes complemented by a 23-acre commercial hub. Phase 1 will introduce 221 units of 1 – 1.5-storey terraced houses alongside a 2.5-acre thematic park. Designed to reinvigorate and transform Bedong's landscape, completion of the entire township is estimated to be by 2035.

Kedah-based developers Imperio Group and Aman Setia Group has joined hands in developing The Tenz in Simpang Kuala, Alor Setar. This project is under the companies' joint campaign called 'Senang', which aims to provide affordable housing for the locals. The Tenz will comprise 364 serviced apartments, 126 serviced suites and a 178-room international hotel. Phase 1 called Vivre

Residence was launched back in December 2021. As a mixed-use development, also included are shop units and office spaces in a 5-storey podium.

Kuala Muda will soon witness the development of a new township named Bandar Saujana Putra. To be jointly developed by Oriental Interest Bhd and Kedah State Development Corporation (PKNK), the new township will span across 566.56 hectares of land made of 11 vacant land plots of which PKNK owns 485.62 hectares and the remaining Oriental Interest Bhd. With an estimated 10-year development period, the project offers 230 industrial lots, 40 commercial lots and 5,400 residential units ranging from low-cost to affordable types. Physical construction is scheduled to commence in the second quarter of 2024 and to reach full completion by end of 2032.

RETAIL

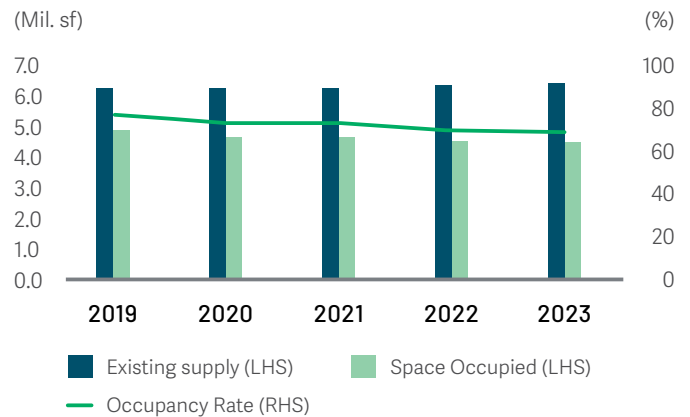
Kedah's retail sector saw a slight increase in supply of 1.7% year-on-year, bringing 1H2023's supply to 6.48 million sf. Occupancy rate fell slightly to 69.8%, continuing the downward trend since 2019 – now passing below the 70% mark. This leaves a sizable 1.96 million sf of vacant retail space in the market.

The top two locations with the highest retail space concentration are Alor Setar at 2.63 million sf and Sungai Petani at 2.15 million sf. Both areas have 16 retail establishments recorded. Sungai Petani performed the lowest in occupancy rate at 53.9%, leaving close to a million sf of vacant retail space sitting idle. No new retail establishments have been recorded to be under construction which eases the market from further downward pressure on the occupancy rate.

Though there are no new retail malls currently in the pipeline, news of new retail establishments was seen in past years. While there have not been any recent updates, there may still be new commercial opportunities unlocked

Existing Supply & Occupancy Rate of Retail Spaces in Kedah (2019-1H 2023)

(Source: JPPH)



should these new projects pull through. These include the Kuala Ketil Commercial Centre shopping mall by Jesin Group and the Premium Outlets in Langkawi by Bina Darulaman Bhd (BDB).

SHOP OFFICE

The shop office sector of Kedah saw some downward moderate movement after experiencing continuous rise since 2020's low point. With a drop of 7.6% in volume and 8.5% in value, the first six months of the year performed at 459 transacted units worth RM200.61 million.

Transactions were mainly shop offices 3-storeys and below, with the most popular being 2-storey units at 271 transactions. The top two district in transaction numbers are Kulim at 147 transactions and Kuala Muda at 145 transactions.

In the market, 31,109 units are in supply ranging from pre-war to 6-storey types. The most popular by far is the 2-storey type at 17,648 units, equivalent to 56.7% supply share. Kuala Muda has the highest concentration of shop

Selected Newly Completed & Upcoming Shop-offices in Kedah

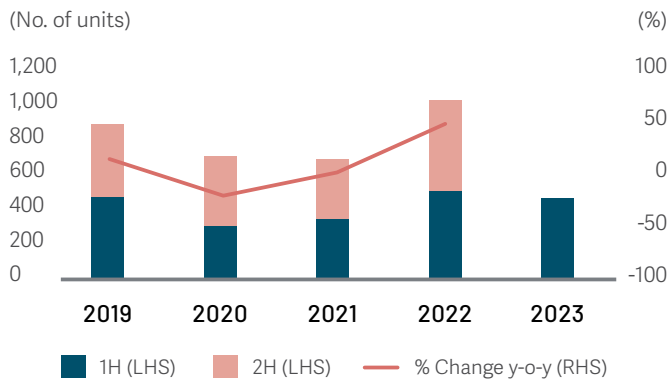
(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Aman Parc (Phase 1A)	Sungai Petani	3-sty Shop Offices	29	From RM980,000	2023
Aman Parc (Phase 1B)	Sungai Petani	3-sty Shop Offices	28	From RM980,000	2024
TC Avenue	Alor Setar	2&3-sty Shop Offices	17	From RM675,000	2025



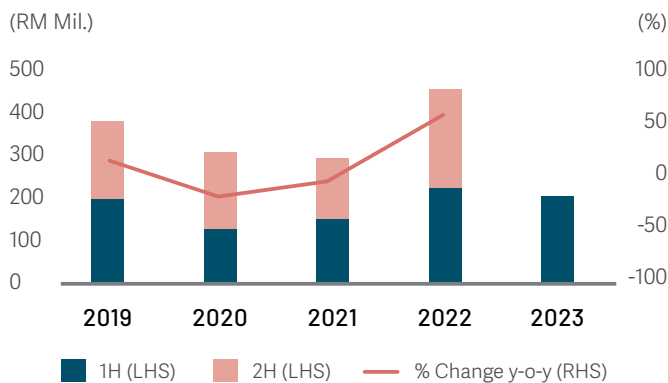
Volume of Shop Office Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



offices at 9,431 units (30.3%) and Kota Setar coming in second at 6,614 units (21.3%). In the pipeline, 992 new shop office units were recorded to be under construction and are of the 1 to 3-storey types. 59.4% are located in Kulim.

HOTEL

The hotel sector of Kedah saw no new injection of hotel rooms into the market, instead slightly dropping by 0.7% to 13,154 rooms across 175 hotel establishments. Out of the 175 establishments, 20 hotels are rated 4 and 5-star, and 18 rated 3-star. The top tier hotels and resorts are situated in Langkawi as it is the top tourist destination in the region. In the pipeline, there are 756 new rooms recorded to be under construction as at 1H2023.

As at the third quarter of 2023, Langkawi received a total of 2.04 million visitors according to Langkawi Development Authority (LADA). This puts confidence that the island will achieve its target of pulling in three million visitors by year-end. Further adding to Langkawi’s attraction points, the island has successfully been awarded its green card status for the fourth time in a row – keeping the UNESCO Global Geopark label under the name Langkawi UNESCO Global Geopark.

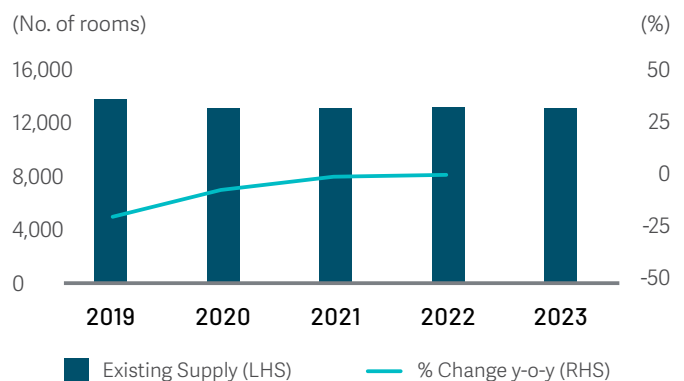
Keeping strong to its reputation as a popular tourist destination both locally and internationally, Langkawi will be seeing new establishments opening their doors to the public in the next few years. Starting with 2023, Pan Pacific had the opening of their new Parkroyal Langkawi Resort in March. Located on Tengah Beach, the 301-room resort

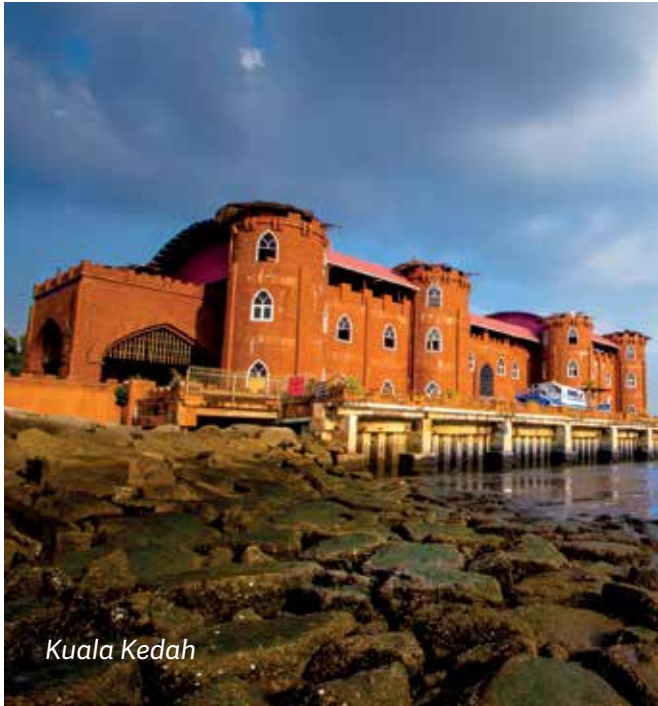


Langkawi

Existing Supply of Hotels in Kedah (2019-1H 2023)

(Source: JPPH)





features rooms and suites ranging between 437 sf to 1,248 sf in size as well as exclusive one to three-bedroom villas ranging from 2,615 sf to 3,982 sf.

Another new establishment on its way to opening in 2025 is the Hilton Burau Bay Resort Langkawi with a total offering of 251 rooms. This is in partnership with Tradewinds as the hotel was formerly the Mutiara Burau Bay Beach Resort. The resort is nestled within Burau Bay along Langkawi’s western coastline and surrounded by Gunung Mat Cincang, Seratosa Island and Burau Island.

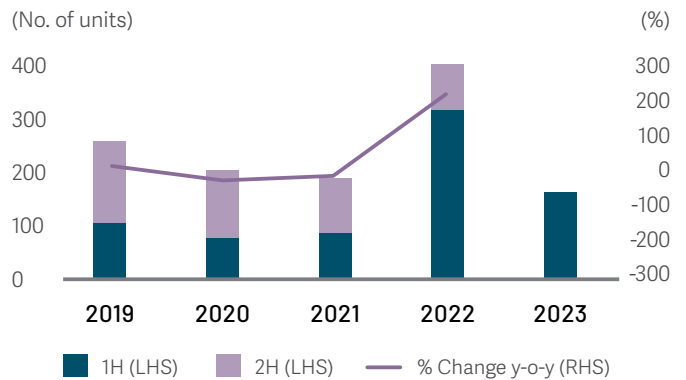
Tropicana Corp Bhd has signed a hotel management agreement with Marriott International to build a 270-room 5-star hotel in its upcoming mixed development named Tropicana Cenang. Marketed under the Sheraton Langkawi Resort & Spa brand, the new hotel is expected to open its doors for guests by 2029. Two other residential suites launched as part of Tropicana Cenang are the 831-unit Assana Serviced Suites and 60-unit Merissa Serviced Suites. Both are projected to be completed by 2026.

INDUSTRIAL

The industrial sector of Kedah shows a considerable down pace in market activities in comparison to 1H2022, experiencing a 48.9% drop in volume but value holding up at 5.2% - bringing 1H2023 market performance to 164 transacted units worth RM539.01 million. But the high percentage is partly due to the small market size of Kedah’s industrial sector. Transactions were

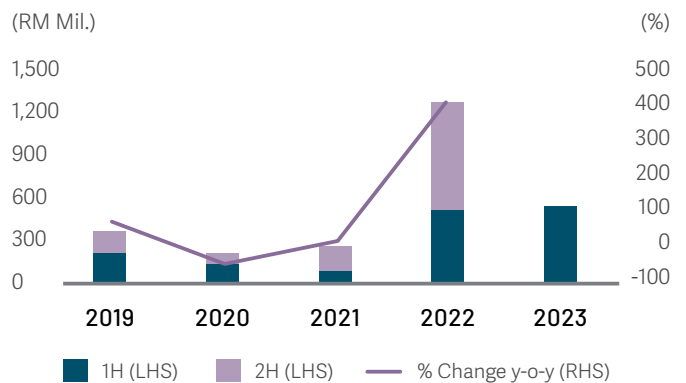
Volume of Industrial Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Kedah (2019-1H 2023)

(Source: JPPH)



predominantly located in Kuala Muda (53 transactions) and Kulim (88 transactions). By type of industrial property, the Kedah market saw more preference for vacant plots with a market share of 59.8%, whilst terraced factory/warehouse contributed 20.1%.

Supply of the industrial sector is sized at 3,873 units ranging from terraced to cluster types. By district, Kota Setar and Kuala Muda are the top two, far ahead from others at 1,069 units and 1,699 units respectively. In the pipeline, 73 new industrial properties are recorded to be under construction, primarily located in Kulim (53 units).

In preparing themselves to meet the growing demand for data centres, AREA Real Estate Advisory Sdn Bhd completed a feasibility study of a RM15 billion hyperscale green data centre park known as AREA Data Centre Campus (ADCC). Located in Delapan East Zone 1 within the 4,400-acre Delapan Special Border Economic Zone (Delapan SBEZ), the ADCC will offer a well-planned, green-certified, managed industrial park as a viable

"EFFORTS ARE UNDERWAY WITH THE SUPPORT OF THE STATE GOVERNMENT FOR THE EXPANSION OF KULIM HI-TECH PARK (KHTP) TO CATER TO THE RISING DEMAND FROM INVESTORS."

alternative for Data Centre operators looking to set up their operations in Malaysia. The exclusive-data centre site involves the development of 156 acres of land.

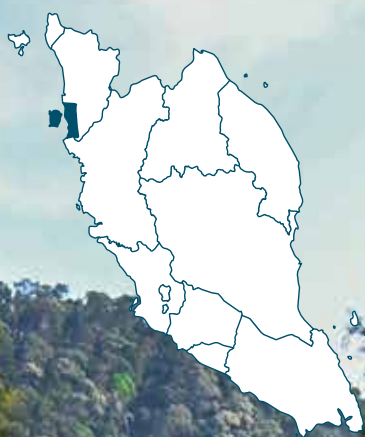
Set to becoming an economic catalyst for the SBEZ is the One Northern Hub, a joint development initiative between PKT Logistics Group Sdn Bhd and the Ministry of Finance Malaysia. It is made of three parts – BKH-ICD Inland Port (Phase 1), Blackwood Forest Warehouses (Phase 2) and Blackwood Complex (Phase 3). 2023 saw the completion of Phase 1 with the new island port expected to play a pivotal role in simplifying and streamlining cross-border trade thanks to its positioning adjacent to the Bukit Kayu Hitam Immigration, Customs, Quarantine and Security (ICQS) Complex.

As one of the identified industrial-driven areas in the northern region, Kulim sees further growth in industrial activities within the area. One such is the expansion of the pre-existing Rapid Manufacturing Inc's global electronics manufacturing operations with a new facility. Another is the new launch of EVE Energy Co Ltd's 53rd manufacturing facility. With an initial investment of RM1.92 billion, the new factory will focus on the production of cylindrical lithium-ion batteries as support to the power tools and electric two-wheelers manufacturing in Southeast Asia. Construction will be done in phases and not exceed three years.

Efforts are underway with the support of the state government for the expansion of Kulim Hi-Tech Park (KHTP) to cater to the rising demand from investors. The state has secured RM13.1 billion in investment of which RM12 billion are pulled by the manufacturing sector. An agreement has been reached with Sime Darby Plantation Bhd for the acquisition of a 100-hectare land for the Kulim Hi-Tech Park (KHTP) Phase 4A expansion. Between January to June 2023, Kedah ranked third with RM14.6 billion as one of the top five states with the highest investments.

NOTABLE ANNOUNCEMENTS

- Budget 2024 initiatives for Kedah:
 - Lembah Bujang is one of the heritage sites selected as part of the RM80 million preservation and conservation effort that could potentially be recognised by UNESCO.
 - Selected areas such as Kota Sarang Semut will be part of the Government's embarkment to increase rice output in Perlis and Kedah through five seasons in 2 years paddy cultivation pilot effort.
 - New schools/special blocks to be built – SK Sungai Tiang in Pendang, SMK Bukit Gedong in Kuala Nerang, SMK Kubang Rotan, SMK Muadzam Shah, SMK Tunku Seri Indera Putera.
- Focus will be placed on realising investments for the industrial parks under the Northern Corridor Economic Region (NCER) which includes the Kedah Rubber City (KRC) and the Kedah Science Technology Park (KSTP).
- As at February 2023, a total of RM3.06 billion in investments have been committed into KRC since its launch in February 2022. Full completion is estimated to be by 2030.
- The Local Government Development Ministry has approved an allocation of RM36.34 million to implement 95 upgrade and maintenance projects of public infrastructures.
- Two feasibility study reports have been submitted by KXP Airportcity Holdings Sdn Bhd to the Ministry of Transport and currently under review by consultants appointed under the National Airports Strategic Plan (NASP) study.
- Industronics Bhd entered into a memorandum of agreement (MOA) with Echo Aisa (Hong Kong) Ltd to negotiate a proposed collaboration to construct an international duty-free city in Langkawi.
- In a collaboration with the Langkawi Municipal Council Tourism City, Tropicana Corp Bhd has completed the RM2.5 million renewal of the 0.49-acre Pantai Kok Rest & Recreation (R&R) centre.
- A new road initiative linking Bukit Kayu Hitam Immigration Customs, Quarantine and Security (ICQS) and Sadao ICQS in southern Thailand is expected to be ready in 2024. This new road is anticipated to spur economic activities in both Malaysia and Thailand.



Capital: Georgetown

Est. Population: 1,771,600

Area (km²): 1,049

(Source: DOSM)

PULAU PINANG

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	544,549 units	0.2% y-o-y ▲
Transaction Volume	8,170 units	2.2% y-o-y ▼
Transaction Value	RM3.49 bil.	6.2% y-o-y ▼

RETAIL

Supply	19.79 mil. sf	1.0% y-o-y ▼
Occupancy Rate	72.9%	1.4% y-o-y ▲
Rental	RM4.50 psf – RM52.00 psf	

PURPOSE-BUILT OFFICE

Supply	11.48 mil. sf	1.3% y-o-y ▼
Occupancy Rate	86.2%	0.3% y-o-y ▲
Rental	RM2.00 psf – RM4.50 psf	

SHOP OFFICE

Supply	31,372 units	0.4% y-o-y ▲
Transaction Volume	513 units	4.3% y-o-y ▼
Transaction Value	RM435.83 mil.	2.4% y-o-y ▼

HOTEL

Existing Supply	23,301 rooms	0.9% y-o-y ▲
Incoming Supply	3,942 rooms	

INDUSTRIAL

Supply	9,722 units	1.2% y-o-y ▲
Transaction Volume	302 units	10.6% y-o-y ▲
Transaction Value	RM702.92 mil.	29.0% y-o-y ▼

RESIDENTIAL

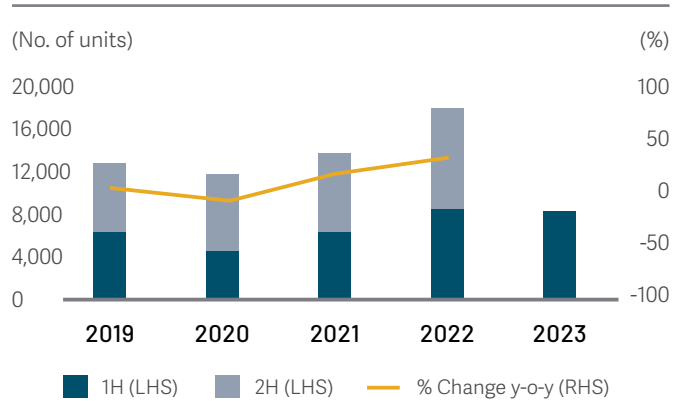
1H 2023 saw Pulau Pinang’s residential market show normalising movements in transaction activities. Both volume and value of transactions fell slightly at 2.2% and 6.1% respectively whereas supply saw a small increase of 0.2%. This comes after a consistent rise from 2020’s bottom point, indicating the residential market to now be at a stabilised pace. First half recorded 8,170 transacted units worth RM3.49 billion.

By price bracket, transactions primarily are between RM100,000 to RM400,000, taking up 52.6% market share. By type, 2 to 3-storey terraced and condominium/apartment types take the top 2 spots at 20.6% and 22.2% respectively. Between the mainland and the island market share, 51.7% of the transactions were on the former and the remaining 48.3% on the latter.

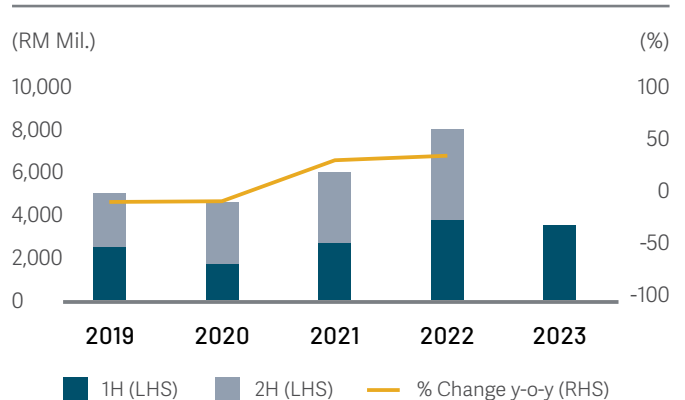
With 544,549 units in residential stock, Pulau Pinang sees a slightly higher stock share of high-rise at 52.6% comprising of low-cost flat, flat and condominium/apartment. Landed units are at 47.4% with the biggest portion being terraced types.

Categorised under the commercial title, serviced apartment and SOHO units are at 10,999 units in supply for the state. Of that supply, 4,052 units are on the island with the remaining on the mainland.

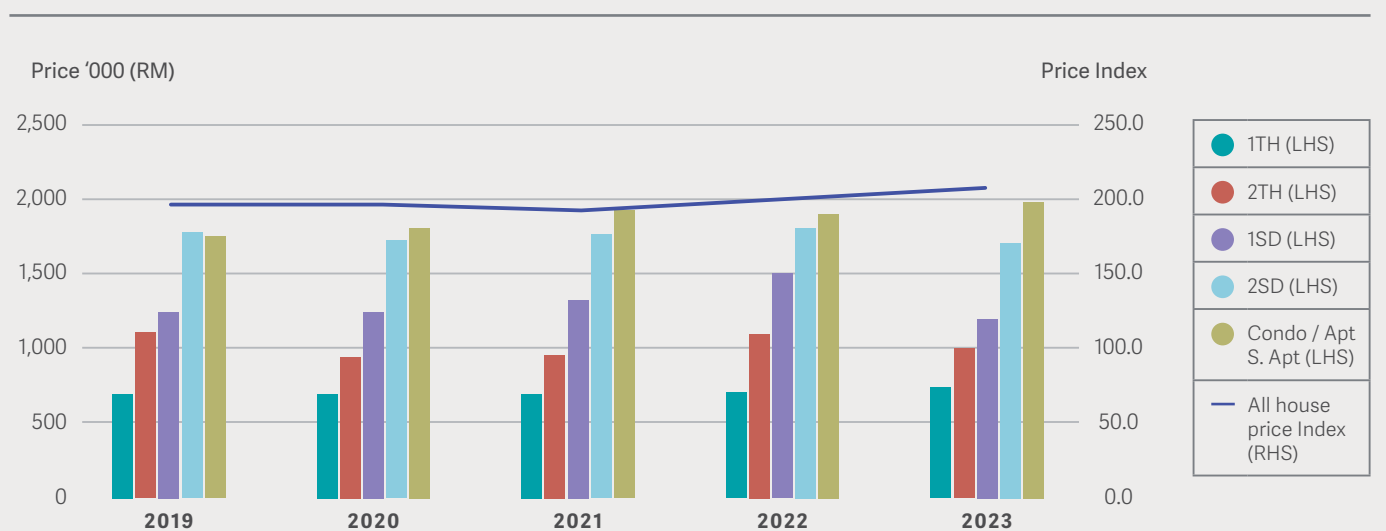
Volume of Residential Property Transactions in Pulau Pinang (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Pulau Pinang (2019-1H 2023) (Source: JPPH)



Penang Island Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Pulau Pinang

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Viluxe @ Aspen Vision City	Batu Kawan	2-sty Terraced	170	From RM750,000	2023
Camdon Collection @ Eco Horizon		2-sty Townhouses	224	From RM553,800	2024
Casa Rica @ Setia Greens	Sg Ara, Bayan Lepas	2 & 3-sty Semi-detached	38	From RM2.0 mil	2024
Bertam Lakeview - Melia	Bertam	1-sty Bungalow	18	From RM800,410	2024
Bertam Lakeview - Lavender		1-sty Terraced	40	From RM367,560	2024
Taman Nara	Bukit Mertajam	2-sty Terraced	21	From RM710,000	2024
Taman Jasa Indah		2-sty Terraced	59	From RM748,000	2024
Eco Horizon @ Bandar Cassia	Batu Kawan	2-sty Terraced	235	From RM773,000	2025
		2-sty Semi-detached	363	From RM1.4 mil	2025

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
The Sky Urban	Bukit Mertajam	Condominium	560	From RM450,000	2023
Montage	Sg Nibong	Condominium	282	From RM700,000	2023
Muze @ PICC	Bayan Baru	Condominium	846	From RM900,000	2023
Zen 6	Gelugor	Condominium	730	From RM690,000	2023
Havana Beach Residence	Bayan Lepas	Condominium	1,342	From RM400,000	2024
Royale Infinity @ Tambun Royale City (Ph 2)	Tambun	Condominium	223	From RM400,000	2024
Triuni Residence	Batu Uban	Condominium	552	From RM776,000	2024
The Terraces	Bukit Jambul	Condominium	410	From RM460,000	2024
Vivo Executive Apartment	Batu Kawan	Serviced Apartment	1,530	From RM360,000	2024
Iconic Regency	Sg Nibong	Serviced Apartment	268	From RM460,000	2024
Sinaran Residence	Batu Kawan	Serviced Apartment	964	From RM391,700	2024
Mezzo @ The Light City	Gelugor	Condominium	456	From RM900,000	2025
22 Macalister	Georgetown	Suites	418	From RM492,000	2025
D'Starlington	Teluk Kumbar	Condominium	820	From RM420,000	2026



"IN THE PIPELINE, THERE ARE 35,016 RESIDENTIAL UNITS CURRENTLY UNDER CONSTRUCTION OF WHICH 54.5% ARE LOCATED ON THE MAINLAND AND 45.5% ON THE ISLAND."

In the pipeline, there are 35,016 residential units currently under construction of which 54.5% are located on the mainland and 45.5% on the island. By type, 58.7% are condominium/apartment units whereas 24.7% are terraced types. As expected of the larger land area available, most of the upcoming landed units are located on the mainland whereas high-rise units leaned more to the island. There are also 6,967 upcoming units of serviced apartment and SOHO types in the pipeline as well. Notably, 50.8% of the commercial dwellings are located in Timur Laut District on the island.

Hunza Properties Group launched Senze@PICC, a serviced apartment project in Penang International Commercial City (PICC), Bayan Lepas in 2023. The development will comprise of 1,680 serviced apartment units ranging from 650 to 2,496 sf with fully furnished options for immediate occupancy upon completion. The development will be connected to the upcoming Tanjung Bungah-Bayan Lepas LRT line via a dedicated station.

Following the 100% take-up rate of Eastern & Oriental Berhad's (E&O) maiden project on Andaman Island, the developer is looking to launch Arica, a 380-unit freehold development situated in the heart of Gurney Green district. Scheduled for completion in 2027, the development offers units sized from 947 sf to 1,259 sf with prices starting from RM800,000.

Another upcoming development projected to complete in 2027 is the Crown Penang, a joint venture development between Chin Hin Group Property Bhd and Ivory Properties Group Bhd. Launch targeted in the second quarter of 2024, the RM475 million high-rise development will be Chin Hin's first foray into Pulau Pinang.

Utropolis Batu Kawan by Paramount Property (PW) Sdn Bhd saw its final phase launched in March 2023. With Phase 1 and 2 fully sold and completed involving the Sensasi and Suasana serviced apartment towers, the developer is now working to complete Phase 3, the Sinaran, comprising of two serviced apartment towers. This has been fully sold and projected for completion in the first quarter of 2024. Phase 4 is the Savana, consisting of a 522-unit serviced apartment tower. Still in its piling stage, completion is expected to be in March 2027.

RETAIL

The retail sector of Pulau Pinang saw its supply dropped by 1.0% to 19.79 million sf, made up of 106 retail establishments across the state. The top two areas with the highest retail space presence are Georgetown at 4.97 million sf and Bukit Mertajam at 3.49 million sf.

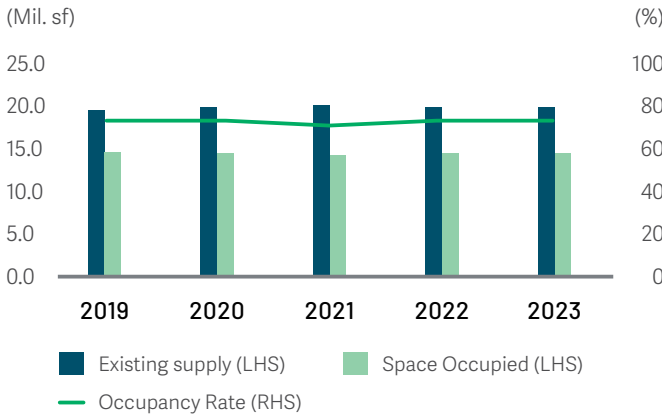
Overall occupancy performance improved slightly by 1.4% to 72.9% which leaves 5.37 million sf of retail space vacant in the market. Both Bukit Mertajam and George Town contribute most to the vacant stock – 3.14 million sf combined.

In the pipeline, Georgetown has 2 new retail establishments underway with a combined new supply of 1.15 million sf. The only other area expecting new entrants is Air Itam/Relau with one new upcoming establishment at 898,022 sf.

The RM1.2 billion mall project by IJM Perennial Development Sdn Bhd (IJMPD) named The Waterfront Shoppe is scheduled to open for business in early 2025.

Existing Supply & Occupancy Rate of Retail Spaces in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



The mall is an integrated component of the RM4.5 billion Light City project. Sized at 680,000 sf, the mall is projected to reach 60% completion by end of 2023.

As one of the commercial hubs dating back to the late 1990s, the neglected Island Plaza will be given a new lease of life through a major redevelopment effort. Renamed as Island 88, the commercial development in Tanjong Tokong was purchased by a Hong Kong businessman with the aim to revive a dying landmark.

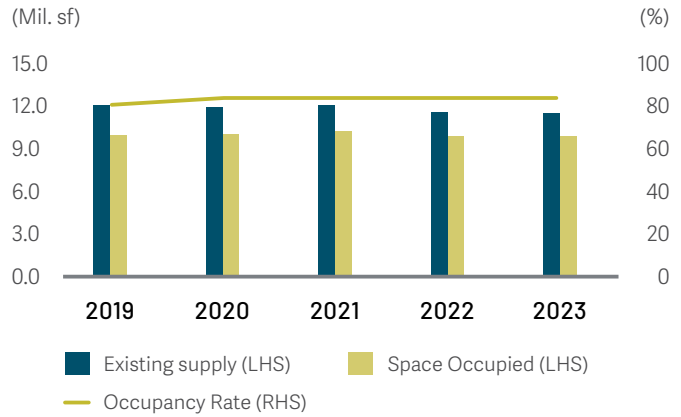
The Ayer Itam neighbourhood will be seeing a transformation to its landscape with the completion of Sunshine Central, the maiden venture of Suiwah Corporation Bhd. Spanning over 3.64 hectares, the development includes an 820,000 sf Sunshine Mall and is set to be one of Pulau Pinang’s largest lifestyle shopping centres. As at September 2023, its occupancy take-up has reached 71%. Completion is anticipated to be by end of 2023.

PURPOSE-BUILT OFFICE

1H2023 saw Pulau Pinang’s PBO supply drop slightly by 1.3% to 11.48 million sf at an occupancy rate of 86.2%. With the slight drop in supply, occupancy has relatively maintained at 86.2%, leaving 1.58 million sf of vacant office space in the market. Of the 207 PBO buildings across the state, Georgetown has the highest concentration at 119 PBO buildings followed by Bukit Mertajam at 18 PBO buildings and Butterworth at 16 PBO buildings.

Existing Supply & Occupancy Rate of Purpose Built Office in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



In the pipeline, 4 new PBO buildings are recorded to be under construction with a cumulative office space of 825,517 sf. All 4 upcoming buildings are located in Georgetown. The Light City by IJM will also add 204,400 sf in office spaces slated for completion in 2025.

Another prominent mixed development currently in the works is the Penang International Commercial City (PICC). As announced by Hunza Properties Group at the groundbreaking of Phase 2 of the project in Bayan Lepas, PICC will have a shopping mall, a five-star hotel, a Global



Business Services (GBS) hub and premium office spaces, with a combined long-term investment value ranging from RM1.3bil to RM1.5bil.

Taking up one of the three towers of the anticipated Sunshine Central development by Suiwah Corporation Bhd is the 18-storey Sunshine Tower. At 18 stories high, the tower offers 128 MSC-status office units that will be equipped with an Internet of Things (IOT) 5G Data Centre as well as a private helipad. Citigroup has committed to occupy 8 levels of the tower.

SHOP OFFICE

In 1H2023, Pulau Pinang’s shop office market showed a slowdown as transaction activities dropped slightly in both volume and value – 4.3% and 2.4% respectively to 513 units worth RM435.83 million. Despite the drop, it remains above 2019 market performance and is evident by the market’s consistence to staying on the recovery pace.

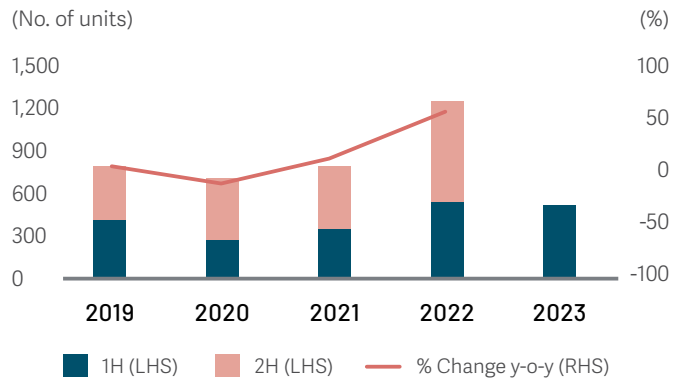
Shop office transactions saw 77.2% of its market share to be the 2 to 3-storey types. By price bracket, 122 transacted units were transacted above RM1 million whilst others were fairly distributed across the price bracket range. 74.7% of the transactions involved units located in Seberang Perai and the remaining on the Island.



City Hall, Georgetown

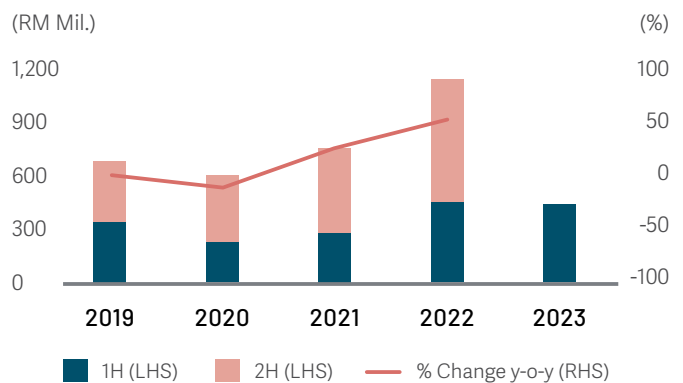
Volume of Shop Office Property Transactions in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



On existing supply, Pulau Pinang has 31,372 units of shop offices ranging from pre-war to 6-storey types. Almost 70% of the supply are on the mainland and 30% on the island. By type, 2-storey shop offices contribute the most at 15,630 units, followed by 3-storey shop offices at 7,198 units. In the pipeline, there are 584 units recorded to be under construction with 61.5% being in North Seberang Perai district. Of this, 473 units are 2-storey type.

One of the upcoming shop office developments currently under construction is the Sinaran Avenue @ Utropolis Batu Kawan. Slated for completion in 2024, its 2-storey shop offices are priced from RM2.18 million.

Selected Upcoming Hotels in Pulau Pinang

(Source: Rahim & Co Research)

Development	Location	Star Rating	No of rooms	Expected Completion
A'Loft Hotel	Batu Kawan	4	308	2024
InterContinental Penang Resort	Teluk Bahang	5	355	2025
Le Méridien Penang Airport	Bayan Lepas	5	200	2026

HOTEL

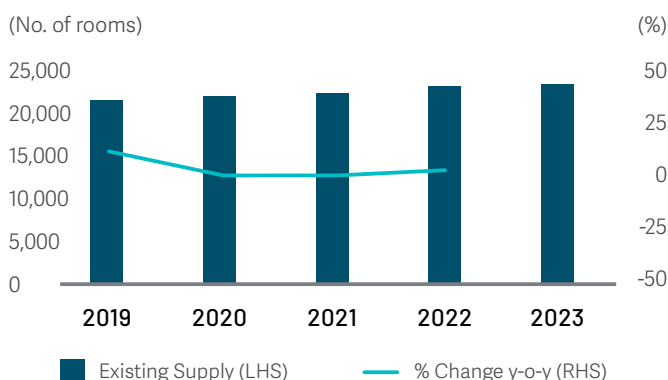
The hotel sector of Pulau Pinang saw its room supply grow slightly with an increase of 0.9% to 23,301 rooms making up 240 hotel establishments. 39 of the hotel establishments are rated 4 to 5-star and 24 hotels rated 3-star. In the pipeline, there are 20 new hotels currently under construction with a total new supply injection of 3,942 rooms upon completion.

The flagship hotel Crowne Plaza Penang Straits City is scheduled to open its doors for guests in the first quarter of 2024. Located at the waterfront of Butterworth Penang and 27km away from the Penang International Airport, the 343-room development boast sweeping views of the Penang Straits.

Bayan Lepas will be seeing the opening of the 5-star Iconic Marjorie Hotel in 2024. Iconic Group signed a franchise agreement with Marriott International, putting the upcoming 298-room luxury hotel under the Tribute Portfolio, one of the brands under Marriott International's umbrella.

Existing Supply of Hotels in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



In 2023, the state government issued a ban on all forms of short-term rental accommodation (STR) within private residential properties on the island. Effective immediately, the ban involves short-term rental offerings in buildings under the residential title. For offerings located within commercial titled buildings, such as serviced apartments, SOHO and office suites, approval to rent out these units for short-term stays must be obtained from the development's respective management corporations (MC) or joint management bodies (JMB). A 75% majority vote must be obtained in the annual general meeting. Each unit can only be rented out for 3 days per week, adding up to 180 days per year. This ban currently only applies to residential developments on the island and not on the mainland.

INDUSTRIAL

1H2023 saw the industrial market keeping its upward momentum with positive growth in volume by 10.6% but a fall in value by 29.0%. This brings market performance to 302 transacted units worth RM702.92 million for the first 6 months of 2023 – staying above 2019's pre-pandemic levels.

By type, vacant plot is the most popular transacted form of industrial property at 38.7% market share. By price range, transactions above RM1 million saw the highest at 53.3% market share and primarily involved vacant plots, terraced and detached factories/warehouses. Expectedly, 90% of the transactions were in Seberang Perai, holding a total value of RM605.03 million.

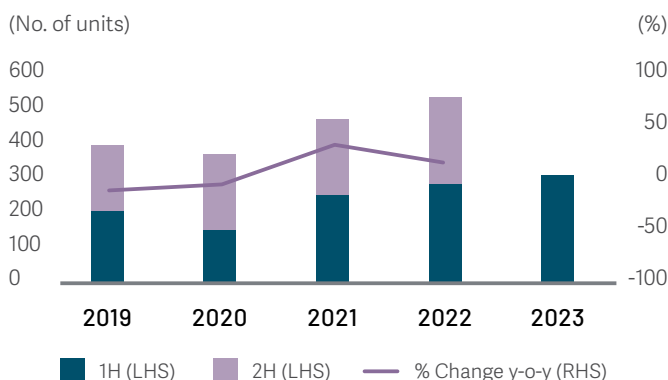
Of the existing supply, Pulau Pinang's industrial properties is at 9,722 units as at 1H2023 with a large portion fairly distributed between terraced, semi-detached and detached types. Seberang Perai as a whole holds the largest concentration of industrial properties at 8,006

units, far outnumbering the island’s industrial stock of 1,716 units. There are 119 new industrial units in the pipeline: 97 units in Seberang Perai and the remaining 22 on the island.

Bertam will be welcoming a new technology park named Penang Technology Park (PTP) in two years with the development project by Ideal Capital Bhd. In September 2023, the developer had successfully signed sales & purchase agreements (SPAs) with 23 local and international companies to occupy 35% of PTP’s first phase – pushing PTP occupancy to 40%. The project is set to act as a catalyst for economic growth in the region with focus on high-technology industries, spurring the development of other related projects in the Seberang Perai area. Spanning across 880 acres, the park is designed with sustainability in mind with the incorporation of green spaces, energy efficient facilities, recycling and waste management systems.

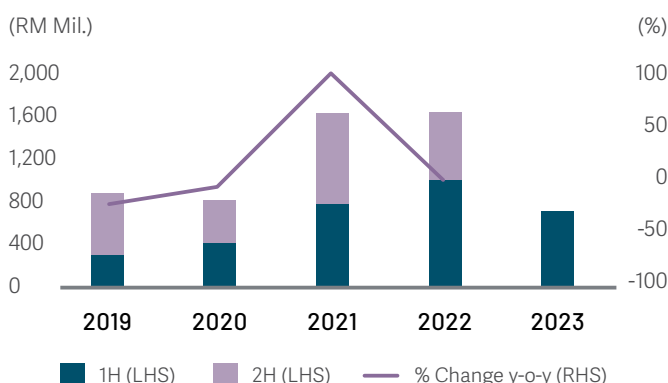
Volume of Industrial Property Transactions in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Pulau Pinang (2019-1H 2023)

(Source: JPPH)



In March 2023, Pulau Pinang’s Chief Minister had shared that the state has nearly 12,000 hectares of industrial land with nearly 95% of it on mainland Seberang Perai and the remaining 537.2 hectares on the island. Even so, the state government is intent on increasing its industrial land bank with the Penang South Islands (PSI) project, and two industrial parks in Batu Kawan. The Penang Development Corporation will be developing the Bandar Cassia Technology Park and Batu Kawan Industrial Park 3.

NOTABLE ANNOUNCEMENTS

- E&O has completed the reclamation of Andaman Phase 1 and plans to begin development of the 253-acre land over the next 15 years. Reclamation of Andaman Phase 2 will take another 3 years to complete. Both reclamation phases are part of the bigger Seri Tanjung Pinang (STP) development.
- Gurney Wharf has officially been renamed as Gurney Bay. Phase 1 is expected to be completed by end 2023 with Phase 2 scheduled for launch in the fourth quarter 2024. The entire project is set to finish in 2025.
- After much contention, the Penang South Islands (PSI) reclamation project began its works in July 2023. Phase 1 of Island A will be first reclaimed by Gamuda Bhd and is closely situated to the Penang International Airport at Bayan Lepas. Initially planned to include 3 islands, the project has been downsized to just Island A (2,300 acres).
- Originally intended to connect Penang International Airport (PIA) to Komtar, the state’s Light Rail Transit (LRT) project has been extended to go up to Tanjung Bungah with allocated funds by the Federal Government to expedite the project.
- Falling under the 12th Malaysia Plan (12MP), the Federal Government has granted RM93 million to facilitate the land acquisition and infrastructure development for the expansion of the Penang International Airport (PIA).

Capital: Ipoh

Est. Population: 2,540,400

Area (km²): 20,976

(Source: DOSM)

PERAK

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	524,175 units	2.9% y-o-y ▲
Transaction Volume	12,471 units	14.0% y-o-y ▼
Transaction Value	RM3.02 bil.	6.3% y-o-y ▼

RETAIL

Supply	10.95 mil. sf	6.7% y-o-y ▼
Occupancy Rate	87.0%	10.6% y-o-y ▲
Rental	RM4.00 psf – RM26.00 psf	

PURPOSE-BUILT OFFICE

Supply	7.19 mil. Sf	2.4% y-o-y ▲
Occupancy Rate	92.4%	0.5% y-o-y ▼
Rental	RM2.00 psf – RM3.50 psf	

SHOP OFFICE

Supply	59,362 units	0.3% y-o-y ▲
Transaction Volume	886 units	0.4% y-o-y ▼
Transaction Value	RM437.05 mil.	0.6% y-o-y ▲

HOTEL

Existing Supply	16,450 rooms	0.0% y-o-y ■
Incoming Supply	685 rooms	

INDUSTRIAL

Supply	8,507 units	0.3% y-o-y ▲
Transaction Volume	274 units	20.8% y-o-y ▼
Transaction Value	RM317.26 mil.	0.8% y-o-y ▼

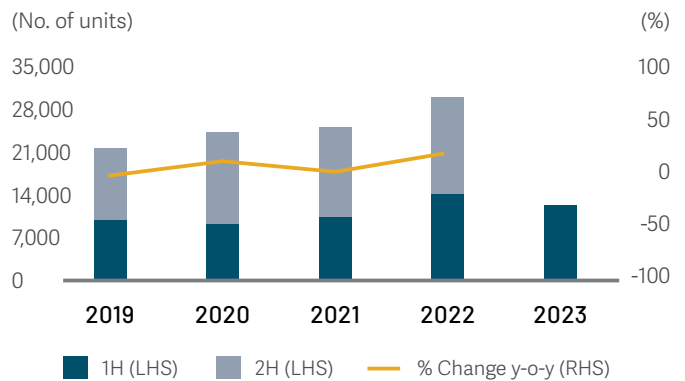
RESIDENTIAL

The residential market of Perak saw 1H2023 transaction performance slowing down with volume and value falling by 14.0% and 6.3% respectively – bringing the market to 12,471 transacted units worth RM3.02 billion. This indicates a slowdown from the consistent increase following 2020's bottom point, resulting in a pent-up effect in the last two years. Despite the decrease, 1H2023 maintains above 2019 market levels.

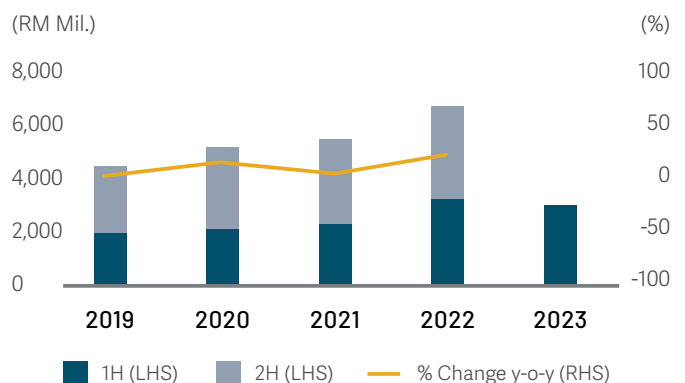
Of the total residential transactions, 88.3% were transacted at prices below RM400,000 which shows heavy market preference for the more affordable priced homes. Terraced houses contribute the biggest portion of transaction activities at 51.3% whilst condominiums/apartments only take up 3.7% market share. By locality, Kinta, Perak Tengah and Larut Matang are the top three in market share – a combined total of 66.5% of the state's residential market.

Looking at the existing stock, Perak's residential sector size has 524,175 units following a 2.9% growth year-on-year. About half of the stock are terraced houses at 279,148 units. In comparison, condominiums/apartments are at a much lower 3.6% stock share, just 18,616 units. This indicates a more landed-favoured residential market. As the main district of the state, Kinta holds the highest concentration of residential stock at 47.1% (246,915 units).

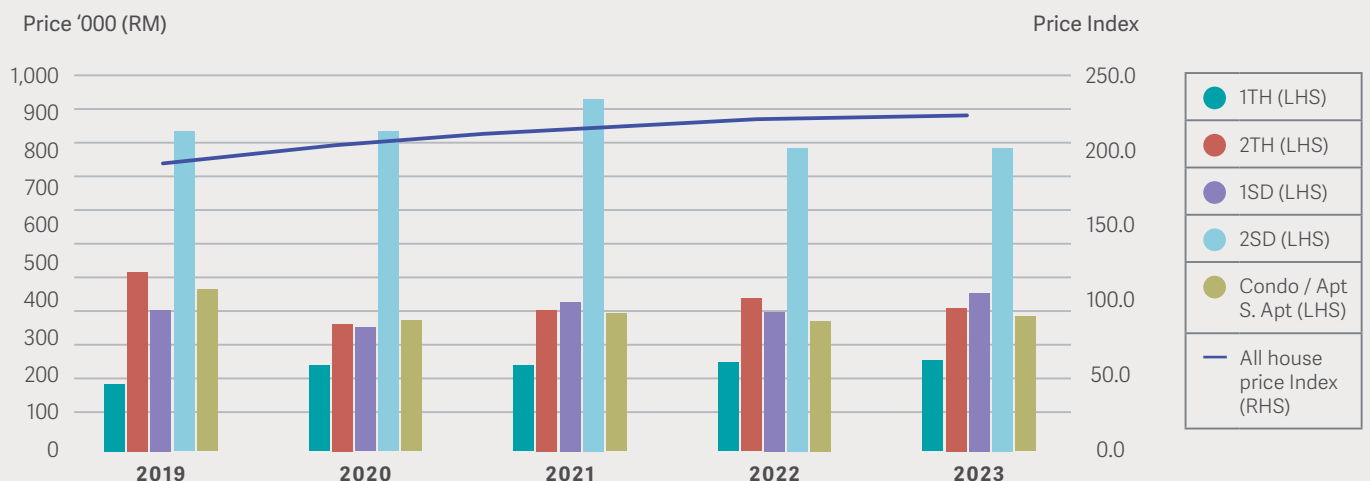
Volume of Residential Property Transactions in Perak (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Perak (2019-1H 2023) (Source: JPPH)



Ipoh/Kinta Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Perak

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
PR1MA Sitiawan @ BBSAP	Sitiawan	2-sty Terraced	1,005	From RM270,610	2023
Sakura 4 @ Bandar Universiti	Seri Iskandar	1-sty Terraced	410	From RM169,000	2023
Bidoria Residence	Bidor	1-sty Terraced	397	From RM208,050	2024
Sierra Beringin	Gopeng	1-sty Terraced	620	From RM239,000	2024
Taman Mulia Fasa 3	Sitiawan	1-sty Terraced	144	From RM291,000	2024
Taman Perwira Jaya	Tapah	1-sty Terraced	596	From RM145,000	2024
Taman Mesra Impian	Tapah	1-sty Terraced	192	From RM298,000	2024
Bandar Baru Setia Awan Perdana Fasa 4B	Sitiawan	1-sty Terraced	932	From RM205,000	2025
Legenda Tropika @ Tapah	Tapah	1-sty Terraced	1,417	From RM152,000	2024
		1-sty Semi-Detached	360	From RM221,000	
Taman Irama Jaya	Selama	1-sty Semi-D	22	From RM380,000	2025
		2-sty Semi-D	6	From RM583,880	
		1-sty Bungalow	1	From RM568,800	
		2-sty Bungalow	1	From RM788,800	
Taman Puncak Harmoni	Kuala Kangsar	1-sty Terraced	44	From RM268,000	2025
		2-sty Terraced	16	From RM468,000	
		1-sty Semi-D	14	From RM408,000	
		2-sty Semi-D	6	From RM718,000	
Taman Legenda Teluk Intan Fasa 3B	Teluk Intan	1-sty Terraced	773	From RM180,000	2026

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Anderson Condo (Phase 1)	Ipoh	Condominium	1,030	From RM266,000	2023
Lestari IUS	Seri Iskandar	Apartment	130	From RM145,320	2023
Pallazo@Ipoh Garden East	Ipoh	Condominium	274	From RM290,000	2024
Anderson Condo (Phase 2)	Ipoh	Condominium	1,290	From RM270,000	2025
The Stallionz @ Ipoh White Times Square	Ipoh	SOHO	424	From RM460,000	2026

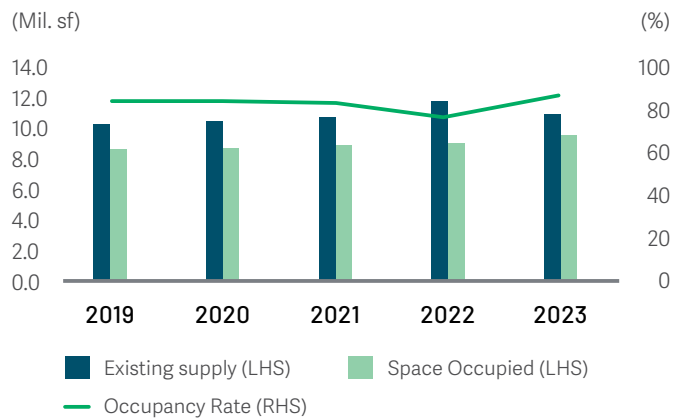
Under the commercial-titled properties, there is some presence of serviced apartment and SOHO units in Perak, standing at 1,314 units and 577 units respectively. These commercial units are mainly concentrated in Kampar, Kerian and Manjung.

In the pipeline, Perak has a total 42,029 new residential units currently under construction. The top two areas having more than 10,000 incoming units each are Kinta and Manjung. By type, new supply remains in favour of landed properties though there are 4,577 new condominium/apartment units under construction. For the serviced apartment and SOHO types, there is a sizable 1,078 new SOHO units and 564 new serviced apartment units underway to completion.

In January 2023, the Perak state government announced 1,465 low and medium cost residential units to be built in Lahat Eco-City @ Bandar Lahat that will benefit the urban and low-income population. The housing development covers a land area of 82.53 acres that is owned by the developer, Mysuccess Land Sdn Bhd. The development involves 392 units of low-cost flats, 404 units of medium-cost flats and 669 units of medium-cost 1-storey terraced houses. The Lahat Eco-City Housing Project is divided into two phases – phase 1 (medium-cost terraced units) projected completion in fourth quarter 2024 and phase 2 (low-cost flats) projected in fourth quarter 2026. This project is in line with the Perak Sejahtera Plan 2030.

Keeping to the affordable home agenda, the Local Government Development Ministry (KPKT) has allocated RM308 million for the development of 3 new People’s Housing Projects (PPR) in Perak. This will involve 1,200 units in 3 parliamentary constituencies and expected to benefit 6,000 households. The first project is the PPR Tambun in Majoi, under the Tambun parliamentary constituency with 500 multi-storey units. The second site is the PPR Lenggong, located in Kota Tampan and under the Lenggong parliamentary constituency with 300 terraced units. The third site is PPR Teluk Intan, located in Changkat Jong with 400 terraced units.

Existing Supply & Occupancy Rate of Retail Spaces in Perak (2019-1H 2023) (Source: JPPH)



RETAIL

The Perak retail sector saw its occupancy performance improve by 10.6% to 87.0%. From an existing retail space supply of 10.95 million sf, this leaves 1.42 million sf vacant. With the exception of 2022, occupancy rate has relatively maintained above 80%.

By locality, Ipoh holds the highest portion of retail space at 6.32 million sf, equivalent to 38 retail establishments or 46.9% of the state’s supply share. Ipoh’s occupancy rate is at 87.8%, leaving 768,371 sf of vacant retail space.

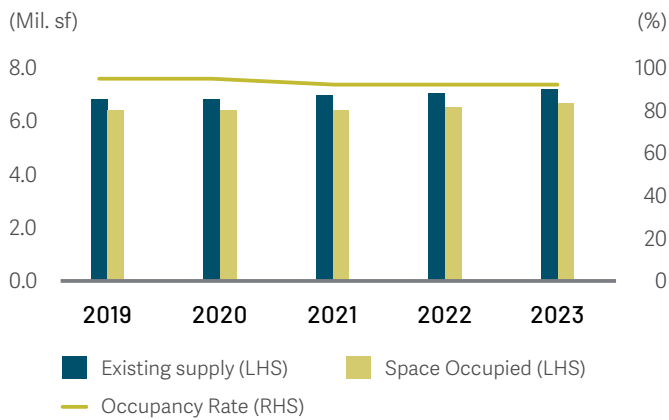
In the pipeline, Perak has 3 new retail establishments under construction, sizing in total at 262,349 sf. 2 are located in Ipoh and one in Teluk Intan. One notable retail mall in the planning is the Sunway City Ipoh mall with a projected retail space of 1.0 million sf. It is expected to be completed by 2025.

PURPOSE-BUILT OFFICE

As at 1H2023, the total PBO supply of Perak grew 2.4% to 7.19 million sf of which 92.4% of the space is occupied. This leaves 546,710 sf of office space vacant in the market. Of the 226 PBO buildings in Perak, 31.8% are in Ipoh and 10.6% in Taiping. Between 2019 to 1H2023, occupancy rates kept above 80% despite the gradual rise in total office space, indicating market absorption to still be stable.

Existing Supply & Occupancy Rate of Purpose Built Office in Perak (2019-1H 2023)

(Source: JPPH)



In the pipeline, there are only 2 new PBO buildings under construction. Both are relatively small in size; one in Ipoh at 79,147 sf and the other in Taiping at 15,220 sf.

SHOP OFFICE

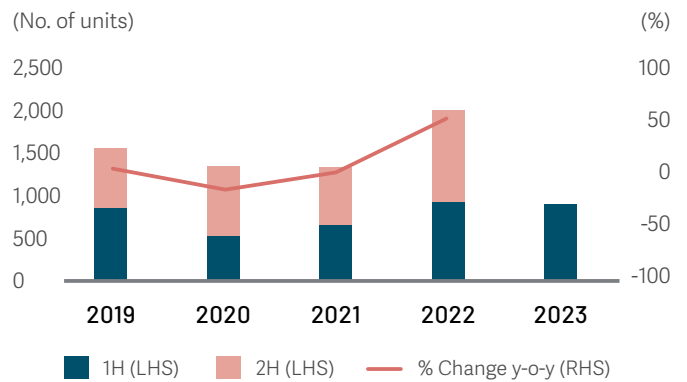
The shop office market in Perak shows market activity to remain stable with minimal movement, performing at 886 transacted units worth RM437.05 million for the first half of 2023. This is also on par with 2019's first half pre-pandemic market activity levels.

Of the total transacted units, 60.9% involves 2-storey shop offices followed by 3-storey shop offices at 17.0% market share. Price wise, 71.7% of the transacted shop offices were below RM600,000. The top 3 districts in transaction volume are Kinta (41%), Manjung (15%) and Larut Matang (12%).

On the supply side, the shop office market is at 59,362 units ranging from pre-war to 6-storey types. 57.6% supply share falls under the 2-storey types, followed by 3-storey type at 19.5% supply share. Minimal growth was seen for

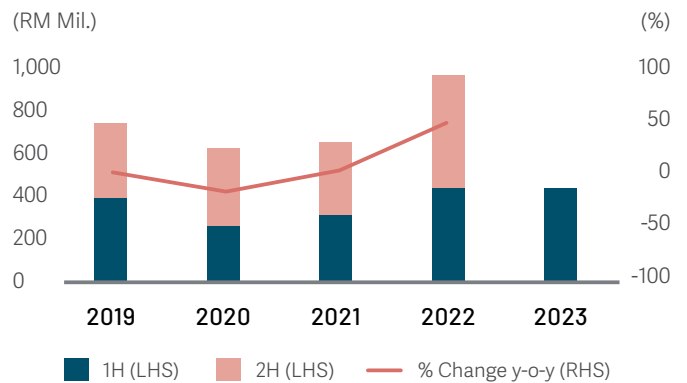
Volume of Shop Office Property Transactions in Perak (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Perak (2019-1H 2023)

(Source: JPPH)



supply at just 0.3%. Kinta has the highest concentration of shop office supply at 25,471 units, making up 42.9% supply share.

In the pipeline, there are 2,227 new shop office units under construction and mainly 2-storey type at 1,211 new units. Kinta has 726 new units and Perak Tengah has 447 new units underway to completion.

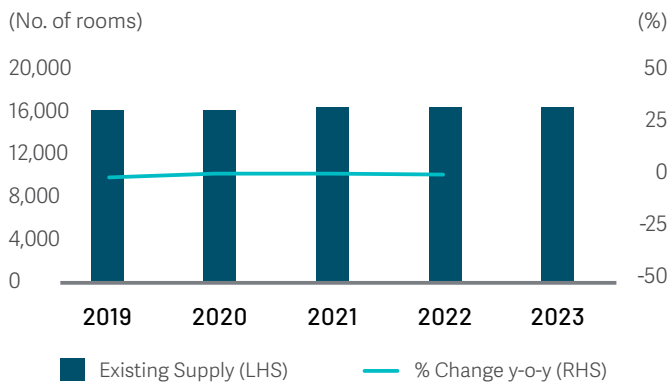
Selected Newly Completed & Upcoming Shop Offices in Perak

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Bandar Seri Botani	Ipoh	3-sty Shop offices	7	From RM1.10 mil	2023
Spanish Garden by the Water	Batu Gajah	2-sty Shop offices	15	From RM563,000	2024

Existing Supply of Hotels in Perak (2019-1H 2023)

(Source: JPPH)



HOTEL

The hotel sector of Perak sees no new entrants of hotel rooms into its supply, maintaining at 16,450 rooms and 330 hotel establishments. Of this, 11 hotels are rated 4 and 5-star whereas 20 establishments are rated 3-star. Close to half of the hotels are on a smaller scale, 150 hotels with 20 to 49 rooms. In the pipeline, there 8 new hotel establishments under construction, bringing in 685 new rooms into the hotel market.

In May 2023, Perak saw the passing of the Perak Hotel Enactment which aims to increase the quality of service received by visiting tourists. With a new set of rules and regulations, all legitimate premises offering accommodations can be monitored and standardised to ensure top quality in safety, cleanliness and deter public nuisance. The new enactment replaces the Boarding House Enactment that had been in use since 1927. Aside from conventional hotels and homestays, the enactment also covers lodging places such as houseboats, chalets and camping tents.

INDUSTRIAL

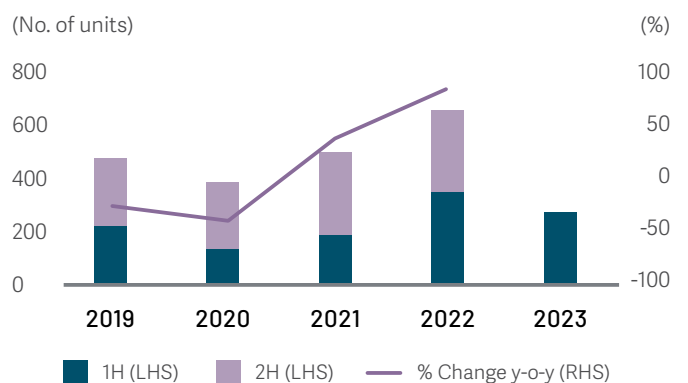
1H2023 saw Perak’s industrial market activity decline by 20.8% in volume whilst value relatively maintained – first half activities performing at 274 transacted units worth RM317.26 million. Despite the decrease, 1H2023 remains on par with 1H2019. 56.2% of the market share are transacted in Kinta district. Vacant plot comes on top with the highest market share at 42.0%, followed by semi-detached factory/warehouse at 27.7%.

On the industrial property supply, Perak is at 8,507 units ranging from terraced to industrial complex units. No cluster type units were recorded for Perak. Just as with the transaction locality, supply too is mainly focused in Kinta with 74% supply share. In the pipeline, 82 industrial units are in construction and close to all being terraced factory/warehouse type. The new supply is just about equally distributed between Kampar, Kinta and Larut Matang/Selama.

Proton Holdings Berhad will fully relocate its current Shah Alam operations to Proton City in Tanjung Malim by 2027. This will be supportive of the Automotive High-Tech Valley (AHTV) which is poised to strengthen the automotive hub. The AHTV is one of the industrial developments identified to boost the Perak industrial sector along with several others.

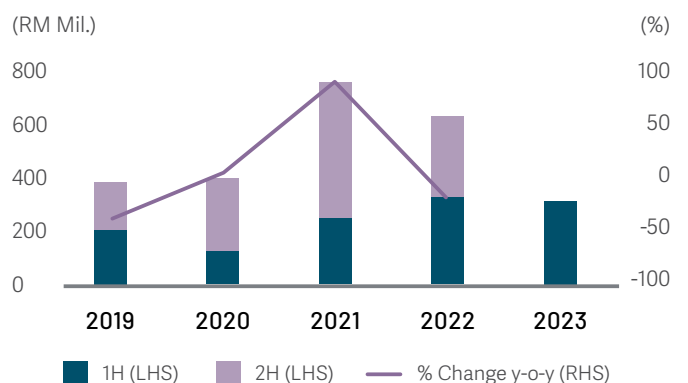
Volume of Industrial Property Transactions in Perak (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Perak (2019-1H 2023)

(Source: JPPH)





Royal Belum Rainforest

In completing the electrical & electronics (E&E) cluster in the Northern Region, a new high-technology industrial area will be built in Kerian, encouraging investors to expand their production facilities to new locations nearby. Aptly named Kerian Integrated Industrial Park, this development will open opportunities to E&E industry players including the micro, small and medium enterprises participating in the E&E ecosystem.

Tasek Industrial Park is set to welcome a new industrial player to Malaysia's industrial scene, China-based encapsulant film manufacturer Zhejiang Sinopont Technology Co Ltd, into its park via the setting up of a new manufacturing facility. The plant is expected to start production by the first quarter of 2024. Sinopont's investment will be in phases, totalling at about RM2 billion, including other future projects in Perak.

NOTABLE ANNOUNCEMENTS

- A new adventure park will be built in Tanjung Tualang as part of the state's effort to increase tourist attraction post-pandemic through a private financing initiative. The state government is taking measures to ensure the project would not end up like the RM520 million Movie Animation Park Studios (MAPS) in Bandar Meru Raya.
- To avoid future occurrence of abandoned projects, the state government will look into a developer's track record before approving any residential construction projects. This will be done via the formation of a special task force by KPKT.
- KPKT has allocated RM1.5 million to complete the abandoned upgrade project of the sewage treatment plant (STP) and related works at the Taman Mayang Phase 2 project site.
- As of June 2023, KPKT has identified 5 abandoned housing projects out of a total 114 projects recorded in Perak, involving 365 housing units and 298 affected buyers.
- The Ipoh Raya Integrated Park in Simpang Pulai by Malaysian Resources Corp Bhd (MRCB), the Silver Valley Technology Park by PKNP, the Perak Halal Industrial Park by Perak State Agricultural Development Corporation are a few of the industrial developments that were highlighted at MIDA Invest Series – Perak held in October 2023.

CENTRAL REGION

Kuala Lumpur

Selangor

Negeri Sembilan





Kuala Lumpur skyline

Capital: Kuala Lumpur

Est. Population: 1,998,600

Area (km²): 243

(Source: DOSM)

KUALA LUMPUR

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	540,974 units	1.8% y-o-y ▲
Transaction Volume	5,897 units	6.5% y-o-y ▼
Transaction Value	RM4.96 bil.	19.7% y-o-y ▼

RETAIL

Supply	35.14 mil. sf	0.3% y-o-y ▼
Occupancy Rate	82.8%	1.2% y-o-y ▲
Rental	Prime: RM20.50 psf – RM173.00 psf	

PURPOSE-BUILT OFFICE

Supply	106.85 mil. sf	0.1% y-o-y ▲
Occupancy Rate	73.5%	1.9% y-o-y ▲
Rental	RM5.00 psf – RM11.00 psf	

HOTEL

Existing Supply	46,184 rooms	1.4% y-o-y ▲
Incoming Supply	4,831 rooms	

RESIDENTIAL

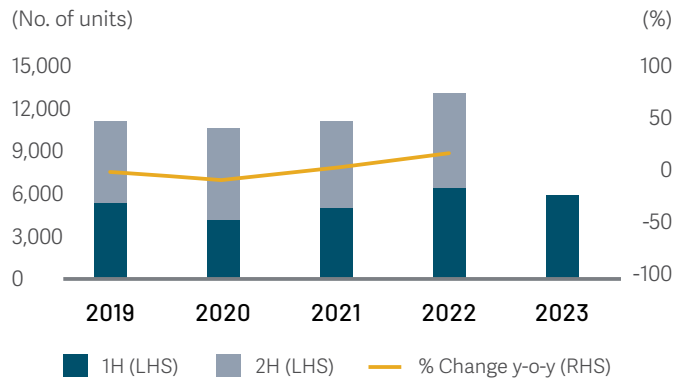
After experiencing two consistent growths in transaction activities from 2020's pandemic low point, Kuala Lumpur's residential market has taken a moderate downward pace with a drop of 6.5% in volume and 19.7% in value, putting the market performance for the first 6 months to be at 5,897 transacted units worth RM4.96 billion. The top 3 areas seeing notable transaction activities are Mukim Batu (24.9%), Mukim Kuala Lumpur (23.0%) and Mukim Petaling (21.6%) – averaging at 1,366 transactions within 6 months.

While 20.9% of the residential transactions are priced above RM1 million, it is to note that 53.7% of the transactions were priced below RM500,000. This indicates that despite house prices are naturally higher for the capital state of Malaysia, affordable homes remain close to general homebuyers' appetite. By type, condominiums/apartments make the most with 49.3% market share, followed by 2 to 3-storey terraced homes at 13.8%. Interestingly, coming in third and fourth are low-cost flat and flat with a combined market share of 20.8%.

On the supply side, Kuala Lumpur saw a slight growth of 1.8% to 540,974 residential units. The top 3 areas of high supply concentration are Mukim Petaling (118,151 units), Mukim Batu (117,432 units) and Mukim Kuala Lumpur (115,503 units). Contributing to the high supply density in the aforementioned areas are the large presence of condominium/apartment and flat units.

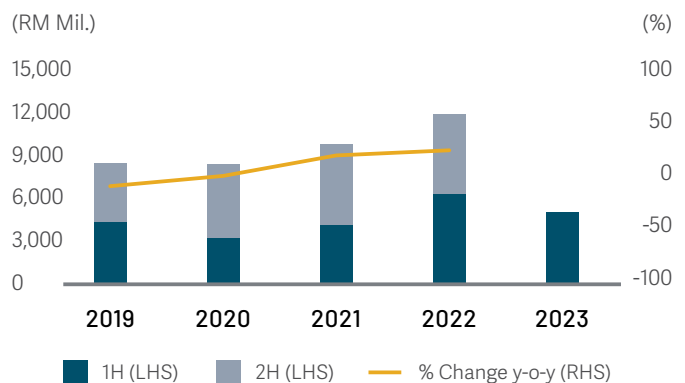
Volume of Residential Property Transactions in Kuala Lumpur (2019-1H 2023)

(Source: JPPH)



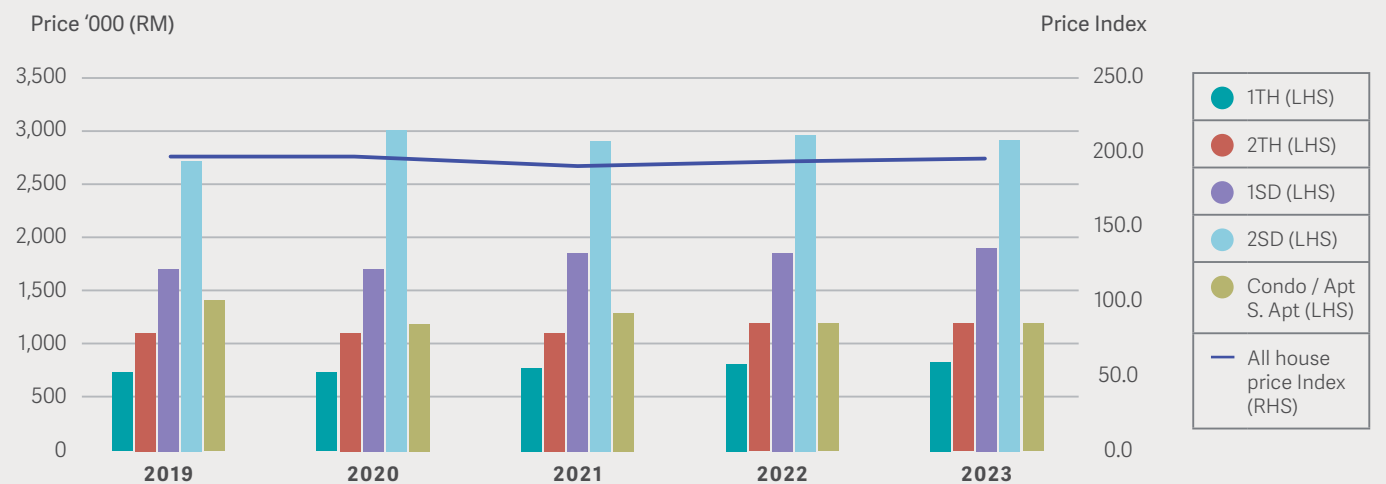
Value of Residential Property Transactions in Kuala Lumpur (2019-1H 2023)

(Source: JPPH)



Kuala Lumpur Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming High-rise Residential Properties in Kuala Lumpur

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
PRIMA Residensi Brickfields	Brickfields	Apartment	920	From RM270,000	2023
Vista Danau Kota	Setapak	Apartment	910	From RM300,000	2023
M Vertica (Tower A)	Cheras	Condominium	808	From RM480,000	2023
Residensi Astrea	Mont' Kiara	Condominium	240	From RM1.15 mil	2023
Alix Residence@Dutamas	North Kiara	Condominium	364	From RM918,000	2023
Residensi Bintang	Bukit Jalil	Condominium	1,342	From RM705,000	2023
Core Residence	Tun Razak Exchange (TRX)	Serviced Apartment	580	From RM1.2 mil	2023
M Oscar	Off Kuchai Lama	Serviced Apartment	910	From RM722,500	2023
Residensi Ava	Kepong	Serviced Apartment	870	From RM580,000	2023
99 Residence (Phase 1)	Kepong	Serviced Apartment	1,421	From RM488,200	2024
Sunway Velocity Two	Taman Maluri	Condominium	872	From RM450,000	2024
Arunya Residence	Jinjang	Condominium	631	From RM379,000	2024
Lake City	Taman Wahyu	Serviced Apartment	1,003	From RM300,000	2024
Sunway Belfield Residence (Tower A & B)	Jalan Belfield	Serviced Apartment	880	From RM688,000	2024
Oakwood Premier Kuala Lumpur	Jalan Hang Jebat	Serviced Apartment	348	NA	2024
M Luna	Taman Wahyu	Serviced Apartment	1,672	From RM385,000	2024
Rosewoodz	Bukit Jalil	Serviced Apartment	329	From RM722,500	2024
JRK Convena	Bukit Jalil	Serviced Apartment	332	From RM693,000	2024
Kuchai Sentral	Jalan Kuchai Maju	Serviced Apartment	1,922	From RM693,000	2024
8th & Stellar	Bandar Baru Sri Petaling	Serviced Apartment	660	From RM762,222	2024
Verdura @ Bangsar Hill Park	Bukit Bangsar	Condominium	812	From RM835,000	2025
The Maple Residence	Taman Overseas Union	Condominium	940	From RM808,421	2025
ALAIA Titiwangsa	Taman Tiara Titiwangsa	Serviced Apartment	436	From RM533,000	2025
The Fiddlewoodz @ KL Metropolis	Jalan Dutamas	Serviced Apartment	679	From RM1.025 mil	2025
Skylon Residence	Bukit Ceylon	Serviced Apartment	178	From RM1.026 mil	2025
Bayu Residensi	Sri Gombak	Serviced Apartment	1,240	From RM250,000	2025
Jendela Residences @ KLGCC Resort	Bukit Kiara	Serviced Apartment	520	From RM1.86 mil	2026
D'Ivo Residence	Old Klang Road	Serviced Apartment	608	From RM696,400	2026
Astrum Ampang (Phase 1)	Jalan Jelatek	Serviced Apartment & SOHO	5,228	From RM230,000	2027

Kuala Lumpur skyline



As a state that has half of its residential stock being condominium/apartment units, Kuala Lumpur also boasts a sizable stock of serviced apartment and SOHO units. Though used for dwelling purposes, these units are categorised under commercial title properties. 1H2023 saw a combined 1,584 transactions worth RM1.28 billion for both serviced apartment and SOHO units. Particularly for the serviced apartment units transacted, price tags were primarily observed to hover between RM400,000 to RM700,000 depending on the unit size as well as above RM1 million for the bigger and more exclusive units. While the same 3 areas mentioned above also have significant presence of serviced apartments, Bandar Kuala Lumpur comes on top with 32,371 serviced apartment units currently in the market.

In the pipeline, there are 106,269 dwelling units already under construction, inclusive of serviced apartments and SOHO units. And not surprisingly, 99.5% of the upcoming dwellings fall under the high-rise category due to scarcity of land available in Kuala Lumpur. The few landed units in the pipeline clustered in Mukim Petaling, Mukim Batu and Mukim Setapak.

As the country approaches its third year since 2020's unprecedented times, developers are back on track to launching new developments though many seen to have taken a more gradual approach by way of phases

to have a better sense of demand levels. With the market saturated in supply against cautious demand, we have seen stakeholders including the local authority are now more proactive in gauging the market in planning for future launches and construction so as to avoid costly delays and portray unfavourable impressions to the public when faced with delays and slow take-up pace.

Alongside premium and exclusive launches seen gracing headlines frequently, affordable homes are also given attention to cater the needs of the M40 and B40 of Kuala Lumpur. The Perumahan Madani initiative encourages developers to undertake affordable housing projects with incentives given. Vacant land plots within the federal state have been identified under this initiative and are earmarked for development, including housing projects. This aligns with the government's effort to boost homeownership among the city folks.

RETAIL

As at 1H2023, the retail sector of Kuala Lumpur saw supply maintain at 35.14 million sf albeit a minor 0.3% drop year-on-year. Occupancy rate improved by 1.2% to 82.8%, leaving 6.05 million sf of retail space unoccupied in the market. Of the 111 retail complex establishments in Kuala Lumpur, 40 of them are situated within the Bukit Bintang and Central Commercial area, holding a combined 10.47 million sf of retail space.

In the pipeline, 9 new retail malls were recorded to be under construction. Bukit Bintang and Mukim Petaling each having 2 new establishments. By size, the Pudu area and Jalan Tun Razak holds the biggest new supply despite just having 1 new mall each at 2.38 million sf combined. These would be coming from the newly completed The Exchange TRX Mall and the upcoming 118 Mall – both being the retail component of a larger mixed development, the Tun Razak Exchange (TRX) and Merdeka 118.

Selected Newly Completed & Upcoming Retail Malls in Kuala Lumpur

(Source: Rahim & Co Research)

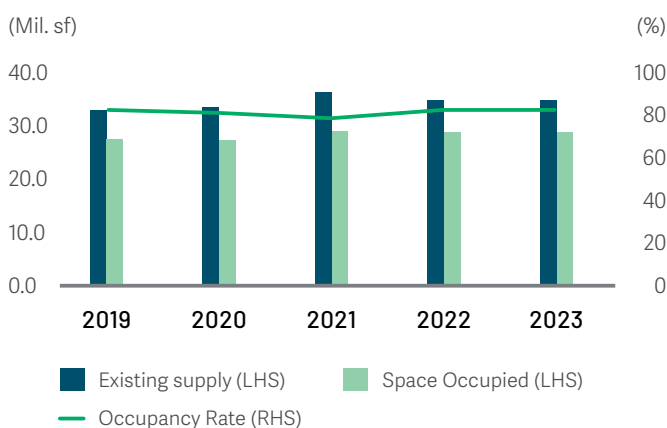
Development	Location	Area (NLA/GFA)	Expected Completion
Pavilion Damansara Heights (Phase 1)	Damansara Heights	533,000	2023
The Exchange TRX Mall	Tun Razak Exchange	1.3 mil	2023
118 Mall @ Merdeka 118	Jalan Hang Jebat	850,000	2024
8 Conlay	KLCC	200,000	2024
Oxley Tower	KLCC	258,000	2024

Several new retail mall players have entered the retail scene of Kuala Lumpur in 2023 and battle for footfall is expected to intensify. In October 2023, Phase 1 of Pavilion Damansara Heights Mall opened to the public with an occupancy rate of 80%. With a net lettable area (NLA) of 533,000 sf, Phase 1 introduces a curated selection of specialty stores, dining experiences and lifestyle services. Phase 2, which is projected to open by the fourth quarter of 2024, will add on another 529,353 sf in NLA to the mall. Combined, Pavilion Damansara Heights Mall will upon full completion stand at 1.1 million sf of retail space.

The Exchange TRX mall opened its doors on 29th November 2023, offering over 400 stores spread over 4 floors with a 10-acre park on its rooftop. This new mall adds another 1.3 million sf of NLA to Kuala Lumpur's retail sector and is expected to be 95% occupied with global luxury brand names like Louis Vuitton, Gucci, Tiffany & Co. and sees the entrance of Japanese luxury department store, Seibu, into the Malaysian market.

Existing Supply & Occupancy Rate of Retail Spaces in Kuala Lumpur (2019-1H 2023)

(Source: JPPH)



Joining in on the redevelopment trend is Alamanda Shopping Centre in Putrajaya. Owned by Putrajaya Holdings Sdn Bhd and managed by Suria KLCC Sdn Bhd, this 19 year old shopping mall will undergo its first major redevelopment project. The end result will be an expansion of an approximate 50,000 sf of NLA on to the current 638,952 sf of NLA. In gross floor area, Alamanda Shopping Centre stands at 1.06 million sf pre-expansion.

PURPOSE-BUILT OFFICE

Being the capital hub of business and trade in Malaysia, it is of no surprise that Kuala Lumpur alone holds the largest concentration of PBO space in the country. At a far-reaching 106.85 million sf as of 1H2023, there is no shortage of office space for any businessman or trader looking to set up in Kuala Lumpur. The continued supply trend of office stock has seen occupancy rate facing downward pressure in the past years. Holding at 73.5% in occupancy rate as of 1H2023, the office market is now looking at a total of 28.30 million sf of vacant office space.

There is also a total of 10.54 million sf of office space in the pipeline as at 2023. Of the 16 new PBO buildings under way to completion, 10 are located within the city centre area with a sizable 8.83 million sf in hand.

For the first half of 2023, Kuala Lumpur saw the completion of several new office towers. Located along Jalan Peel, Sunway V2 Office Tower is a 27-storey office building offering 360,000 sf of NLA and is part of the 8.5-acre Sunway Velocity 2 mixed-use development. Pavilion Damansara Heights saw 4 of its corporate towers open for occupancy in 2023. Towers 6, 7, 8, and 9 offer a total 380,000 sf of NLA and sits atop the 1.1 million sf Pavilion Damansara Heights Mall.

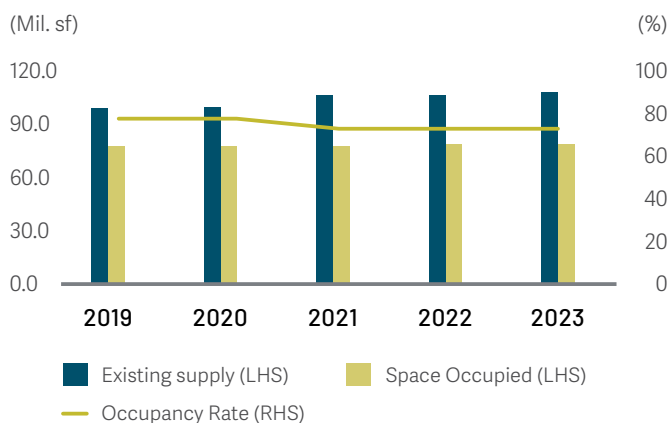
Other office towers well on their way to completion includes PNB 1194, Merdeka 118, The MET Corporate Towers, Oxley Towers Signature Offices and PHB Bangsar 61.

The topic of relocation and resizing has frequently been touched on for the office sector, more so post-pandemic as many organisations had their hands pushed to re-strategise and re-structure in order to accommodate the new ways of working. Such new norms include co-working spaces, flexible working areas and a more collaborative-friendly office space design. The rise of remote working too has its own major influence to adapting these new ways of office work as working away from the office has gradually become a norm. That is not to say physical office space has lost its relevance. Instead, corporations are now recognising the importance of physical presence of an office set-up in a city but have the flexibility to accommodate the nomadic-leaning staff and employees of the corporation.

When relocating, it is more commonly seen for any business to relocate their set-up to better, newer buildings and this is well evidenced in the recent relocations of banks in the past years – particularly relocating their HQ office. Such examples include Maybank to Merdeka 118, Affin Bank to Menara Affin@TRX, HSBC to Menara IQ@TRX, and Standard Chartered Bank to Equatorial Plaza. The driving factors to these relocations can be generally concluded to 3 factors: ESG, relevancy, branding. For ESG, the rising awareness and incentivised green standards in the office market has convinced organisations on the importance of incorporating ESG elements into their operations which will require operating in a ESG-

Existing Supply & Occupancy Rate of Purpose Built Office in Kuala Lumpur (2019-1H 2023)

(Source: JPPH)



compliant building. In relevancy, the key to attracting new talents is to have what they are looking for and that is the easy access to main train stations, integrated commercial hubs and aesthetically pleasing surrounding designs. On branding, it is important for any corporate organisation to be where the hype is in order to maintain their stature and exposure to the market.

HOTEL

1H2023 saw small increase in hotel room supply of Kuala Lumpur by 1.4% to 46,184 rooms across 250 hotel establishments. Of these, 69 hotels are rated 4 to 5-star and another 35 hotels being 3-star. In the pipeline, Kuala

Selected Newly Completed & Upcoming PBOs in Kuala Lumpur

(Source: Rahim & Co Research)

Development	Location	Area (NLA/GFA)	Expected Completion
Felcra Tower	Jalan Sultan Yahya Petra	1.12 mil	2024
Merdeka 118	Jalan Hang Jebat	1.65 mil	2024
CITITOWER	Persiaran KLCC	1.72 mil	2024
PHB Bangsar 61	Bangsar	548,000	2024
Oxley Tower	Jalan Ampang	346,000	2024
Corporate Tower Velocity 2	Maluri area	200,000	2025

Lumpur will be expecting 4,831 new rooms, making up 20 new hotel establishments into the market in the next few years.

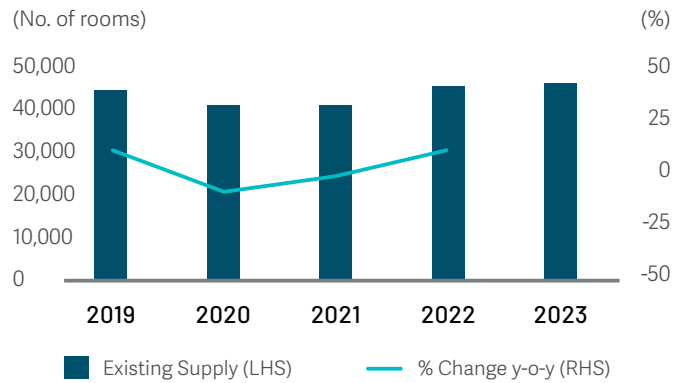
Formerly known as Pullman Kuala Lumpur Bangsar, Wyndham Grand Bangsar Kuala Lumpur announced its opening in November 2023 and marks the arrival of the first Wyndham Grand brand in Malaysia. The new establishment offers 513 rooms with a diverse of options to cater to every guest's preference and needs.

Another new hotel brand looking to pave its footprint in Malaysia is YOTEL, a London-based hospitality brand in partnership with High Street Holdings. The new establishment will be located within the Kuala Lumpur City Centre district and just a few steps away from KLCC. The 290-room hotel is expected to open its doors in mid-2025.

Once an iconic landmark sitting right at the junction of Jalan Ampang and Jalan Sultan Ismail, the Renaissance Kuala Lumpur Hotel & Convention Centre has reopened its doors to the public on 20th October 2023 after having closed its doors temporarily for renovations in June 2020. The reopening sees Renaissance Kuala Lumpur Hotel &

Existing Supply of Hotels in Kuala Lumpur (2019-1H 2023)

(Source: JPPH)



Convention Centre be part of Marriott International's first dual-branded property under the Marriott Bonvoy travel programme in Malaysia, as it will be sharing its address with the Four Points by Sheraton Kuala Lumpur. The latter is also slated for opening in the fourth quarter of 2023. Now offering 406 redesigned guest rooms, a large outdoor pool equipped with waterslides and a wet play area, and a 13,000 sf Paradise Trails adventure zone, the re-vamped establishment is set to regain its glory as a top choice

Selected Newly Completed & Upcoming Hotels in Kuala Lumpur

(Source: Rahim & Co Research)

Development	Location	Star Rating	No of rooms	Expected Completion
Hyatt Place Kuala Lumpur	Bukit Jalil	4	250	2023
Crowne Plaza Kuala Lumpur	Jalan Yap Kwan Seng	5	318	2023
Park Hyatt Kuala Lumpur @ Merdeka 118	Jalan Hang Jebat	5	232	2024
Canopy by Hilton @ BBCC	Bukit Bintang	4	456	2024
Holiday Inn Kuala Lumpur	Bangsar	4	220	2024
So Sofitel Kuala Lumpur Hotel @ Oxley Towers	KLCC	5	207	2024
Waldorf Astoria Hotels & Resorts	Bukit Bintang	5	279	2024
Oakwood Premier @ Merdeka 118	Jalan Hang Jebat	5	348	2024
Conrad Kuala Lumpur	Jalan Sultan Ismail	5	488	2025
Kimpton Kuala Lumpur	Tun Razak Exchange	5	471	2025
Hotel Indigo on the Park	Jalan P. Ramlee	5	180	2025
Edition Kuala Lumpur	KLCC	N/A	350	2025



Kuala Lumpur skyline

"1H2023 SAW SMALL INCREASE IN HOTEL ROOM SUPPLY OF KUALA LUMPUR BY 1.4% TO 46,184 ROOMS ACROSS 250 HOTEL ESTABLISHMENTS."

for both business travelers and family tourists. As aptly named, there is also a 52,000 sf convention centre ready for use.

Further openings in 2023 and 2024 are the 250-room Hyatt Place Kuala Lumpur, the 180-room Hotel Indigo Kuala Lumpur on the Park, the 320-room Crowne Plaza Kuala Lumpur City Centre, and the 220-room Holiday Inn Kuala Lumpur Bangsar.

NOTABLE ANNOUNCEMENTS

- The redevelopment plan of Kuala Lumpur Sentral has been agreed by the Cabinet in principle with no financial implication to the government. The re-development will be carried out by Malaysian Resources Corporation Berhad (MRCB) at an estimated cost of more than RM1 billion. This was deemed necessary in order to expand the station's capacity. Originally designed to withhold 100,000 passengers daily, current numbers have now doubled.
- On 1st June 2023, the KL Wellness City (KLWC) was officially launched as the country's first purpose-built, fully integrated healthcare and wellness development. Situated in Bukit Jalil, KLWC spans across 26.49 acres of land area and its components include The Nobel Healthcare Park, KL International Hospital (KLIH), and a fitness-based Central Park amongst others. The KLIH is set to begin operations in the first half of 2026.
- As the final piece of the Klang Valley Mass Rapid Transit (KVMRT) network, MRT3 is projected to begin its construction phase in the fourth quarter of 2024. The project is now under review by the government to ensure the best value for money following its previous re-estimated cost down from RM68 billion in 2018 to RM50 billion in 2022. The government is confident of achieving further additional savings and ideally go down further to under RM45 billion.
- In early 2023, Sime Darby Property Bhd had officially opened the gates to its 53-acre KL East Park, a naturally regenerating secondary rainforest. Situated within KL East township, visitors will have access to 17 acres of the park and hike along a 2km trail to the lookout point.

Capital: Shah Alam

Est. Population: 7,205,300

Area (km²): 7,951

(Source: DOSM)

SELANGOR

KEY FACTS (AS AT 1H 2023)

● RESIDENTIAL

Supply	1,677,913 units	2.3% y-o-y ▲
Transaction Volume	25,474 units	7.4% y-o-y ▼
Transaction Value	RM13.73 bil.	9.1% y-o-y ▼

● RETAIL

Supply	42.55 mil. sf	4.0% y-o-y ▲
Occupancy Rate	79.2%	1.5% y-o-y ▲
Rental	Prime: RM12.70 psf – RM40.30 psf	

● PURPOSE-BUILT OFFICE

Supply	49.96 mil. sf	5.1% y-o-y ▲
Occupancy Rate	72.1%	2.7% y-o-y ▲
Rental	RM2.40 psf – RM7.00 psf	

● HOTEL

Existing Supply	24,201 rooms	0.0% y-o-y ■
Incoming Supply	878 rooms	

● INDUSTRIAL

Supply	41,673 units	0.6% y-o-y ▲
Transaction Volume	1,163 units	4.6% y-o-y ▼
Transaction Value	RM5.42 bil.	5.5% y-o-y ▲

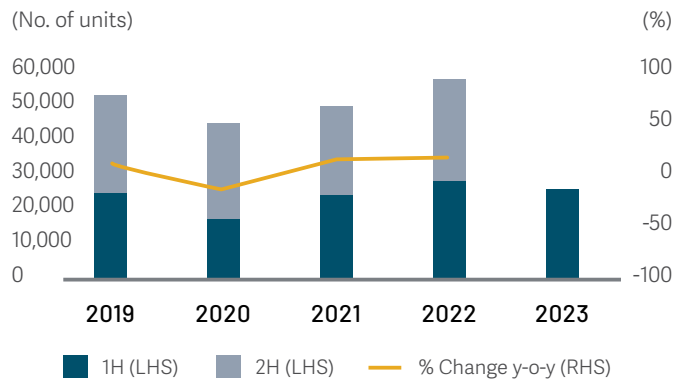
RESIDENTIAL

For the residential sector of Selangor, market activities took a small step back in growth with a drop of 7.4% in volume and 9.1% in value, bringing the first 6 months performance to 25,474 transacted units worth RM13.73 billion. The normalisation, after a strong 2022 performance, is still in line with the recovery trend since 2019/2020.

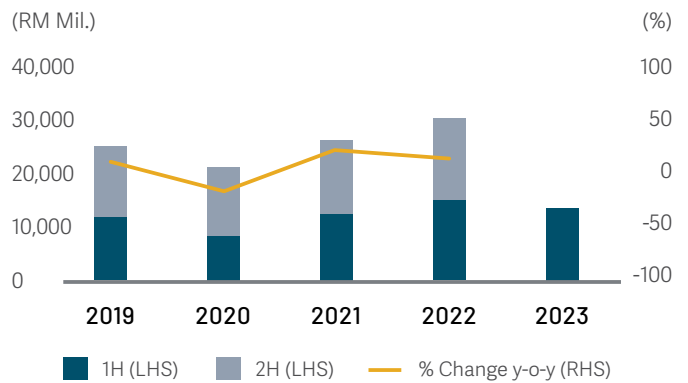
The top 3 areas in number of transactions are Petaling (28.5% share), Hulu Langat (20.8%) and Klang (17.8%). By price bracket, 64.4% of total volume were transacted below RM500,000 – particularly between RM200,001 to RM400,000 with 7,536 transactions, equivalent to 29.6% market share. By type, terraced units take top spot with a 46.2% market share, almost half of the state’s total residential transactions, whilst condominium/apartment units contribute 17.0% of transaction activities.

Amongst all the states, Selangor holds the highest stock of residential properties – a whopping 1.68 million residential properties. 58.5% are landed units whereas the remaining 32.5% are high-rise units, with the rest made up by flats and low-cost housing units. The top 3 areas with the highest residential stock concentration are Petaling (32.2% share), Hulu Langat (23.2%) and Klang (13.0%). In the pipeline, there are 87,285 residential properties under construction. By district, Sepang is looking at 19,038 new units and Petaling with 15,864 new units under way.

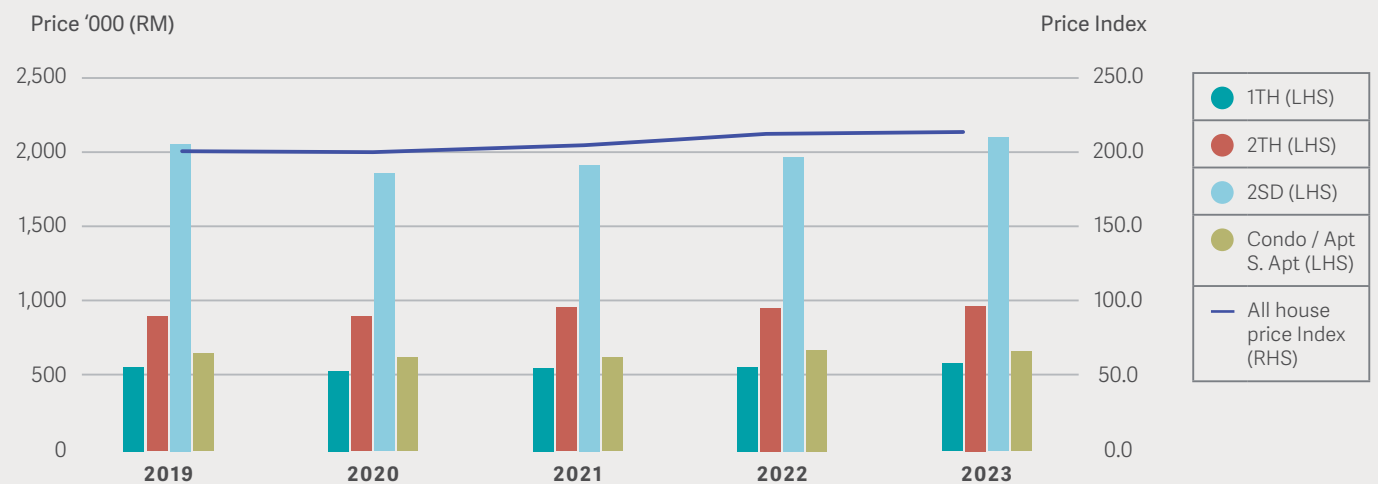
Volume of Residential Property Transactions in Selangor (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Selangor (2019-1H 2023) (Source: JPPH)



Petaling Jaya Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Selangor

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Regent @ EcoGrandeur	Puncak Alam	2-sty Terraced	576	From RM853,750	2023
The Starling @ Bandar Rimbayu (Parcel 12D)	Teluk Panglima Garang	2-sty Terraced	183	From RM1.003 mil	2023
Myra Alam	Puncak Alam	2-sty Terraced	52	From RM480,000	2023
Dahlia Sari @ Saujana Perdana	Sungai Buloh	2-sty Terraced	120	From RM796,900	2023
Diamond @ Taman Putra Prima	Puchong	2&3-sty Terraced	166	From RM900,000	2023
Azolla @ Setia Ecohill 2	Semenyih	2-sty Terraced	76	From RM566,000	2023
Bromelia @ Bukit Puchong 2	Bandar Bukit Puchong 2	2-sty Terraced	137	From RM808,000	2023
		2-sty Cluster Home		From RM1.54 mil	2023
		2-sty Semi-detached		From RM2.67 mil	2023
Aster (Phase 1)	Kundang	2-sty Terraced	96	From RM429,000	2023
Ritma Perdana	Alam Perdana	2-sty Terraced	298	From RM619,900	2024
D Anggun Residence	Kalumpang	1-sty Terraced	200	From RM299,000	2024
Aster 2 (Phase 2)	Kundang	2-sty Terraced	128	From RM487,150	2024
Enso Woods (Phase 1)@Gamuda Cove	Dengkil	2-sty Terraced	203	From RM670,800	2024
Nadira (Phase R1A1)	Bandar Bukit Raja, Klang	2-sty Terraced	119	From RM790,888	2024
Nadira (Phase R1A2)		2-sty Terraced	123	From RM783,888	2024
Camellia @ M Senyum (Phase 2)	Bandar Baru Salak Tinggi	2-sty Terraced	262	From RM546,000	2025
Camellia 2 @ M Senyum (Phase 2)		2-sty Terraced	270	From RM592,000	2025
Hayla 2 @ Daunan	Alam Perdana	2-sty Terraced	205	From RM658,000	2025

But just as with Kuala Lumpur, Selangor too has a prominent presence of serviced apartment and SOHO units in the market. Though legally under the commercial title, these units are largely used for dwelling purposes. 1H2023 saw 1,833 units of serviced apartments and SOHOs combined transactions with a value of RM950.23 million. For serviced apartment transactions, 68.3% were priced between RM200,000 to RM700,000 subject to the size of unit and location.

For supply, Selangor has 138,098 commercially-titled dwelling units of which 97,657 units are serviced apartments and 40,441 units are SOHOs. Petaling and Sepang are the top 2 areas in supply of these units. In the pipeline, there are 69,262 incoming units – 78.9% being serviced apartment units and 21.1% being SOHO units.

2023 saw the government taking more active steps to overcome the issue of abandoned and 'sick' projects nationwide. For Selangor, 176 abandoned housing projects have been identified and involves a total of 35,995 housing units. As the state government looks to reviving the abandoned projects, several developers have taken their own action to becoming the white knight.

One example is the 168 Selayang Park by Infra Segi Sdn Bhd. Once known as Selayang Star City, the development had been left unfinished for 6 years with 680 buyers tied to it. Then came Infra Segi Sdn Bhd in 2021 with the aim to finish it and give the eyesore project a proper completion. The project now comprises of 3 residential towers and a 2-level mall beneath it. Recently, in October 2023, the third and final tower was launched under the name Bole

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
MKH Boulevard 2	Kajang	Condominium	604	From RM549,000	2023
E'Island Lake Haven	Taman Putra Perdana, Puchong	Condominium	1,140	From RM414,800	2023
UpperVille@Melawati	Ulu Klang	Condominium	176	From RM848,400	2023
Verando Residence	Jalan PJS 2, PJ	Serviced Apartment	1,055	From RM650,000	2023
Aurora Subang Jaya	Subang Jaya	Serviced Apartment	234	From RM756,000	2023
Dorsett Waterfront	Subang Jaya	Serviced Apartment	1,989	From RM302,000	2023
Tuai Residence	Bandar Setia Alam	Condominium	330	From RM520,000	2024
Tropicana Miyu	Jalan Harapan, PJ	Condominium	271	From RM678,000	2024
Mirai Residence	Kajang 2	Condominium	748	From RM400,000	2024
Kita Ria Apartment @ Cybersouth	Dengkil	Serviced Apartment	690	From RM343,800	2024
Nexus @Kajang (Tower C)	Kajang	Serviced Apartment	416	From RM450,000	2024
The Pulse Residence	Bandar Puteri Puchong	Serviced Apartment	579	From RM677,000	2024
Aetas Damansara	Tropicana, PJ	Condominium	226	From RM1.6 mil	2025
KAIA Heights Equine	Seri Kembangan	Condominium	924	From RM567,800	2025
Mutiara Hilltop @ Mutiara Indah	Puchong	Condominium	496	From RM583,000	2025
Suria Garden	Jalan Puchong Utama 2, Puchong	Serviced Apartment	972	From RM270,000	2025
Mira @ Shorea Park	Taman Meranti Permai, Puchong	Serviced Apartment	908	From RM420,000	2025
Prestige Residence	Seri Kembangan	Serviced Apartment	1,450	From RM270,000	2025

Residence. Expected to complete in 2026, the first two towers launched earlier is projected for handover by the second quarter of 2024.

Another developer having taken on the white knight role is Xeranti Sdn Bhd (XSB) who has chosen a 20-year-old abandoned housing project in Serendah under its portfolio. More than a business venture, the initiative was taken upon with the aim to have the project be the benchmark for a green, sustainable, and affordable housing development. Spanning over 100 acres of leasehold land, the abandoned project is located just 1km away from the recently completed Rawang by-pass and within 2km radius of both the Serendah KTM Station and the upcoming ECRL Serendah station.

Keeping to their vision on improving supply of affordable homes, the state government has targeted to build at least 60,000 units of Rumah SelangorKu by 2025. To date, 109 projects comprising of 35,606 Rumah SelangorKu units have been completed and occupied. Areas identified to house these affordable units include Alam Impiana, Glenmarie, Pulau Meranti, Pekan Bangi Lama, Salak Tinggi and Kota Warisan.

RETAIL

For the retail sector, Selangor holds the largest stock of retail complex space amongst all 14 states. Standing at 42.55 million sf as of 1H2023, supply experienced an increase of 4.0% year-on-year. With an occupancy rate performance of 79.2%, this leaves 8.85 million sf of vacant retail space in the market.

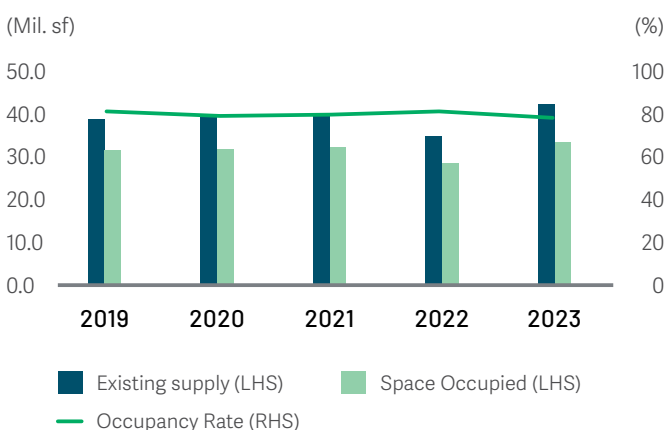
According to locality, the areas having more than 5.0 million sf each are Shah Alam, Damansara and Klang. This includes the areas of the major retail malls in the state like 1Utama Shopping Centre and Sunway Pyramid. Of the total 155 retail establishments recorded, Klang has the highest at 22 buildings albeit smaller scale malls. Klang too has the highest supply of vacant space at 2.36 million sf and occupancy rate at just 57.9%.

In the pipeline, Selangor will be looking to having 5 new retail complexes, currently under construction, be injected into the market. The areas expecting these new entrants are Damansara, Klang, Selayang and Dengkil. The largest incoming is in Damansara at 2.5 million sf. This is attributed to the delayed mega-sized Empire City Mall @ Empire City Damansara.

2023 saw KSL Esplanade Mall by KSL City Management Sdn Bhd opened its doors to the public on 31st May and aims to become Klang's one-stop shopping destination. At 650,000 sf in size, the new mall stands 4-storeys tall and has achieved 75% occupancy rate upon its opening.

Existing Supply & Occupancy Rate of Retail Spaces in Selangor (2019-1H 2023)

(Source: JPPH)



Bandar Shah Alam

In Selayang, the upcoming 168 Selayang Park will be seeing its retail mall component open to the public by third quarter 2024. With a total lettable area of 235,500 sf, the mall will be 2 stories high. In August 2023, the developer had announced that Village Grocer will be occupying 20,558 sf of the mall's retail space, positioning them as the anchor tenant of the project.

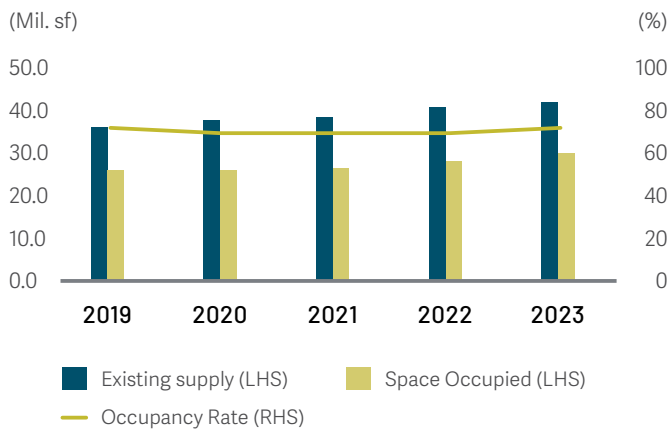
PURPOSE-BUILT OFFICE

Selangor's office sector saw some increase in supply by 5.1% to 49.96 million sf as of 1H2023. Occupancy rate performed at 72.1% on a whole after a slight improvement of 2.7%, leaving 13.96 million sf of vacant space in the market. By district, Petaling Jaya holds the highest concentration of office space at 20.09 million sf across 88 office buildings, contributing 40.2% supply share. Coming in second is Sepang, where Cyberjaya is located, with 8.59 million sf across 52 office buildings, contributing 17.2% supply share. Both also contribute more than 1 million sf of vacant space each; Petaling Jaya accounts for 5.90 million sf.

In the pipeline, 3 new office buildings are recorded to be under construction as of 1H2023. 2 are located in Petaling Jaya and 1 in Shah Alam. Combined, Selangor is looking to an injection of 648,450 sf of new office space into the market in the next few years.



Existing Supply & Occupancy Rate of Purpose Built Office in Selangor (2019-1H 2023) (Source: JPPH)



Two acquisitions were noted in 2023. One is the acquisition by Sentral REIT of the 27-storey Menara CelcomDigi located in Petaling Jaya for RM450 million. Formerly known as Menara Celcom, the office tower has a NLA of 450,000 sf. The other being the purchase of 3 Damansara office tower by Legenda Properties Bhd for RM52 million from CapitaLand M Trust (CLMT).

Targeted for completion by end 2023, Paramount Corp Bhd has put up Atwater's two grade-A office towers for sale for more than RM320 million. Tower A has a total saleable area of 169,301 sf whilst Tower B has 197,548 sf. Both are Malaysia Digital-compliant with green certification.

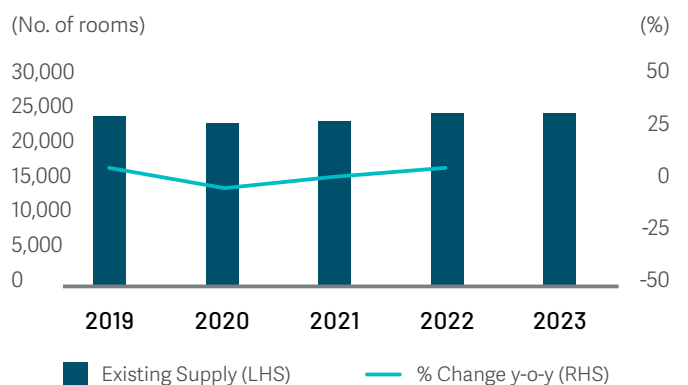
HOTEL

For Selangor's hotel sector, no new additions or closures were noted, thus maintaining at 24,201 rooms across 205 hotel establishments. Of the 205 hotels, 35 are rated 4 to 5-star whereas 35 rated 3-star. In the pipeline, there are 3 new hotels in the works bringing in 878 new rooms to the market.

KSL Holdings Berhad had launched their new KSL Esplanade Hotel at Bandar Bestari in Klang. Offering a total of 403 rooms, the new establishment includes the first skybar in Klang, an Onsen spa and a 1,800-pax ballroom as part of its top attractive features. Both the skybar and ballroom will be the first of its kind in Klang.

In embracing the wellness concept and bringing it within reach of city dwellers in Klang Valley, Beacon Resort in Kerling, Hulu Selangor opened its doors to the public in December 2022. The resort is dedicated as a place to improve people's well-being holistically amidst Selangor's own nature. There are four types of accommodation offered, each with its own unique aesthetic and appeal. The entire resort sits on about 17.4 hectares of land.

Existing Supply of Hotels in Selangor (2019-1H 2023) (Source: JPPH)



INDUSTRIAL

As one of the states with a prominent industrial market size, Selangor saw the sector's performance to moderate with a 4.6% decline in volume but value inclining at a slight 5.5%. This resulted in 1H2023's performance to be at 1,163 transactions worth RM5.42 billion. Petaling district saw the most number of transactions with a 25.2% market share, followed by Klang with 19.9% market share.

By type, terraced factory/warehouse took up almost half of total transaction at 47.6% market share, followed by semi-detached factory/warehouse at 20.4%. By price bracket, 64.5% are transactions priced above RM1 million.

Shifting to the existing industrial stock, 1H2023 saw a minor increment of 0.6% to 41,673 industrial units. By type, more than two thirds of the stock are terraced units at 69.4% supply share, followed by semi-detached units at 16.6%. Petaling holds the highest concentration of industrial properties, recording 14,413 units which make up 34.6%. Coming in second just about half of Petaling's stock is Klang at 8,797 units or 21.1%.

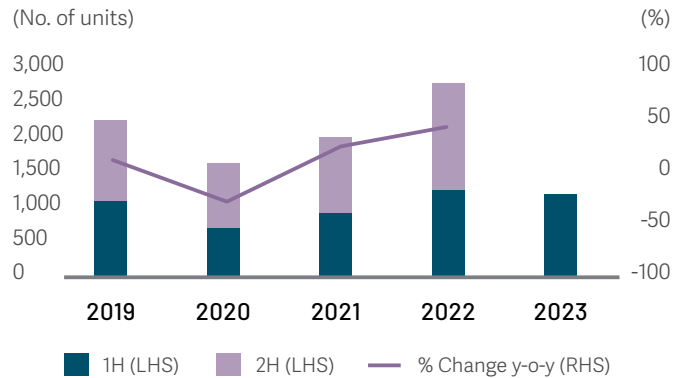
In the pipeline, there are a total of 1,796 new industrial properties under construction. They are primarily located in Klang (537 units), Kuala Langat (209 units), Kuala Selangor (290 units) and Petaling (498 units).

Continuing the rising demand for modern industrial parks, Selangor will be seeing new projects entering the industrial market. Set to be the next industrial powerhouse in Selangor, the NCT Smart Industrial Park (NSIP) project will span over 300 hectares in Sepang with a GDV of RM10 billion. To be developed in phases, completion is projected to be in 2033. Phase 1 will cover 93 hectares and scheduled to be ready by 2025 involving 100 industrial units and 27 factory plots. Another two phases will follow after. NSIP is sited within the Integrated Development Region in South Selangor (Idriss) zone, an initiative under the First Selangor Plan 2021-2025.

Bandar Puncak Alam will be seeing a new industrial park in its area. Developed by Sunsuria Bhd, the Sunsuria Kejora Business Park (SKBP) spreads across 24.6 hectares of land with offerings catered to various entrepreneurs and enterprises, with the key to achieving such feat is in the versatility of the development. The units offered can be shaped according to each business' needs be it

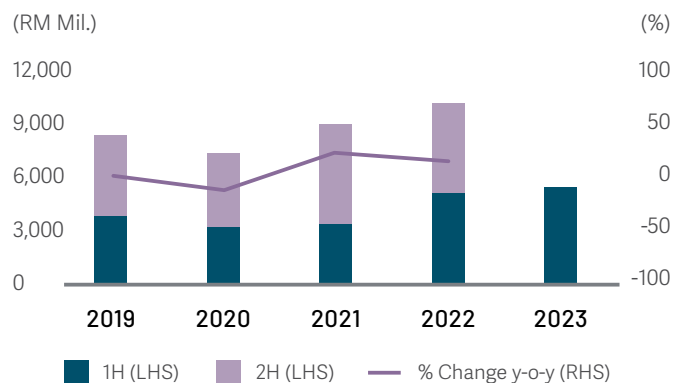
Volume of Industrial Property Transactions in Selangor (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Selangor (2019-1H 2023)

(Source: JPPH)



Melawati Hill, Kuala Selangor



"IN THE PIPELINE, THERE ARE A TOTAL OF 1,796 NEW INDUSTRIAL PROPERTIES UNDER CONSTRUCTION. THEY ARE PRIMARILY LOCATED IN KLANG, KUALA LANGAT, KUALA SELANGOR AND PETALING DISTRICTS."

retail outlets, warehouses, office spaces or manufacturing facilities. Proving its popularity, Phase 1 is fully sold which encompasses 80 units of 3-storey semi-detached factories and 2 units of 3-storey detached factories. Phase 2 will soon follow after with more offerings. Adding appeal to its development is the sustainability element incorporated as well. This includes solar panel structures, green building certification, EV charging points, and rainwater harvesting.

Joining the logistics sub-market is the upcoming Shah Alam International Logistics Hub (SAILH), a project sited in Section 16, Shah Alam. Fully owned by Global Vision Logistics Sdn Bhd (GVL), the logistics hub is built on a 28.73-hectare site with Phase 1 projected to be completed by 2025. Estimated to have an investment value of RM2 billion, around 5,000 jobs is expected to be created via this development by 2028. Phase 1 offerings will include a 4-storey warehouse complex, a 4-storey car park facility, and a 1-storey office building. SAILH will be the first certified green logistics hub in Malaysia and the largest in Asean.



NOTABLE ANNOUNCEMENTS

- The Demand-Responsive Transit (DRT) is a new public transport service which operates on a system that responds to multiple bookings within a predefined zone or route. It then optimizes the dispatching of vehicles with the use of intelligent algorithms and fill the first- and last-mile connectivity gap. As part of the RM25 billion Selangor Mobiliti initiative, the service currently has two vendors running under it. Expanding from its original Puchong and Subang Jaya zones during its pilot phase, the DRT will cover Ampang, Bandar Utama, Shah Alam, Klang, Serdang and Hulu Kelang.
- The state government has expressed their willingness to start the Request For Proposal (RFP) for the development of Carey Island's deep sea port and plans to carry out through a cooperation with the federal government. Carey Island's Third Port was announced in Budget 2024 with the aim to strengthen Malaysia's position as the preferred port and shipping hub in Southeast Asia.
- The 233-km West Coast Expressway (WCE) saw the completion of 21.8-km Section 6 of the expressway in 2023. With this, the stretch opened spans from Bandar Bukit Raja (South) in Klang to Assam Jawa in Kuala Selangor which links Klang, Shah Alam, Puncak Alam and Kuala Selangor in 15 minutes (from 45 minutes via the current roads).
- With its funding issue resolved due to rising construction cost, the construction work of the East Klang Valley Expressway (EKVE) has resumed and reached 91% completion as of the first quarter of 2023. The highway is expected to open on phases starting in 2024.
- The Sungai Besi-Ulu Kelang Elevated Expressway (SUKE) was officially launched with 14 interchanges positioned along its 24.4km main line. The 16.6km Phase 1 stretches from the Cheras-Kajang interchange to Bukit Antarabangsa. The 7.8km Phase 2 goes between Sri Petaling interchange to the Sungai Besi interchange.

Capital: Seremban

Est. Population: 1,224,300

Area (km²): 6,656

(Source: DOSM)

NEGERI SEMBILAN

KEY FACTS (AS AT 1H 2023)

● RESIDENTIAL

Supply	298,980 units	1.5% y-o-y ▲
Transaction Volume	8,371 units	14.6% y-o-y ▲
Transaction Value	RM2.65 bil.	4.4% y-o-y ▲

● RETAIL

Supply	6.60 mil. sf	1.3% y-o-y ▲
Occupancy Rate	68.2%	1.0% y-o-y ▲
Rental	RM3.00 psf – RM35.50 psf	

● PURPOSE-BUILT OFFICE

Supply	3.70 mil. sf	0.5% y-o-y ▲
Occupancy Rate	90.6%	0.3% y-o-y ▼
Rental	RM1.00 psf – RM3.50 psf	

● SHOP OFFICE

Supply	26,689 units	0.1% y-o-y ▲
Transaction Volume	470 units	4.7% y-o-y ▲
Transaction Value	RM381.30 mil.	52.7% y-o-y ▲

● HOTEL

Existing Supply	9,542 rooms	0.0% y-o-y ■
Incoming Supply	1,546 rooms	

● INDUSTRIAL

Supply	5,574 units	0.3% y-o-y ▲
Transaction Volume	305 units	1.0% y-o-y ▲
Transaction Value	RM626.48 mil.	40.7% y-o-y ▲

RESIDENTIAL

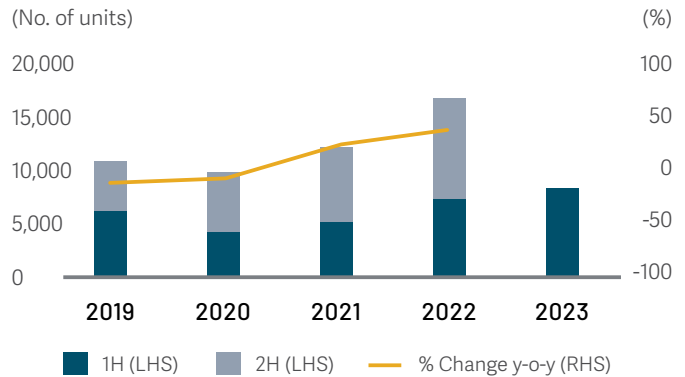
1H2023 registered continuous growth for Negeri Sembilan’s residential market since 2020’s low pandemic point. Volume grew by 16.4% and value by 4.4%, bringing first half performance to 8,371 transacted units worth RM2.65 billion. This puts 1H2023 above 2019’s pre-pandemic level, indicating market to not only have recovered from the pandemic effect, but improve further on an upward cycle.

By district, Seremban saw the most number of transactions with 72.7% market share, followed by Port Dickson with 13.2%. As a state not lacking in land area, landed homes remain a popular choice whilst high-rise homes the minority choice. Terraced home is the most with a 56.0% market share, followed by vacant plot at 20.1%. Condominium/apartment contribute a smaller 3.9%. Proving affordable homes to still hold strong for buyers in Negeri Sembilan, 57.1% transactions were at prices below RM300,000.

On the supply side, Negeri Sembilan has 298,980 residential units as at 1H2023. Close to two thirds of the stock are concentrated in Seremban at 69.4%. Port Dickson comes in second with 11.7% supply share. Matching the favoured type in transaction, terraced homes make up 58.8% of the state’s residential stock at 175,701 units. Low-cost houses rank second at 30,059 units and condominium/apartment remain the minority at 5.7% supply share with 16,910 units.

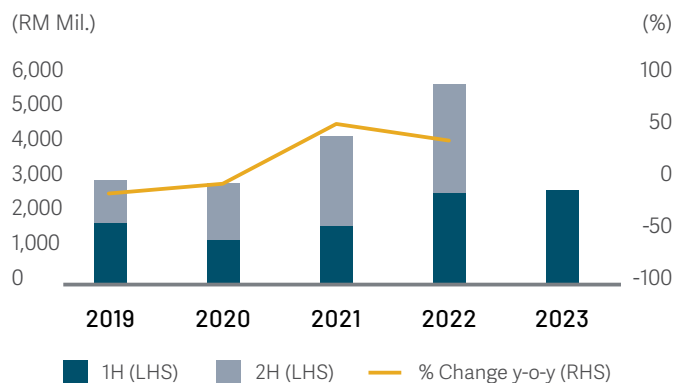
Volume of Residential Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



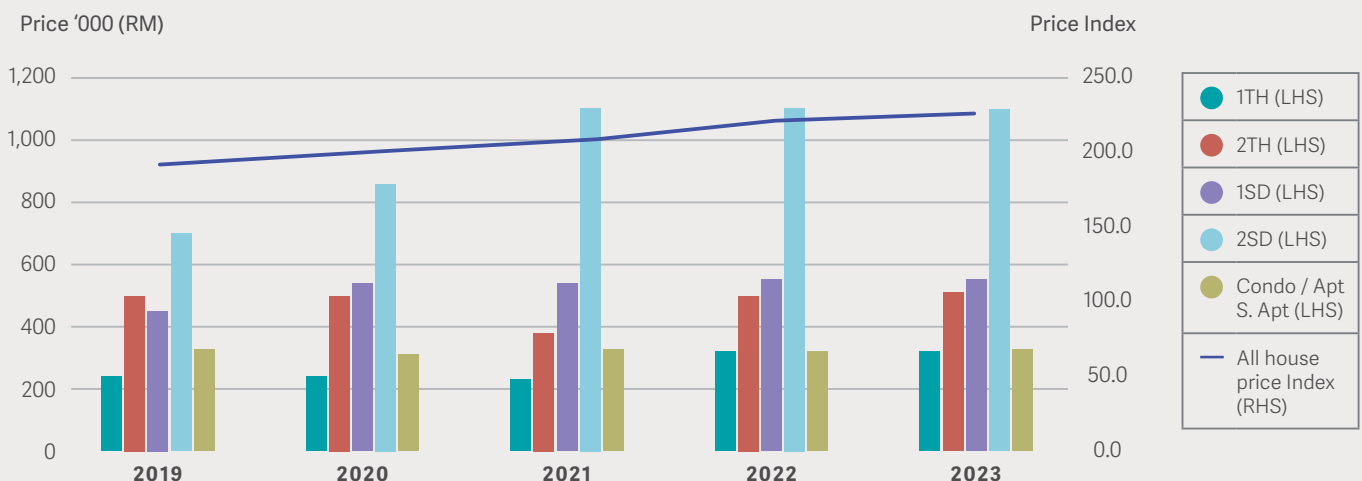
Value of Residential Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



Seremban Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Negeri Sembilan

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Rimbun Aman	Seremban 2	1-sty Terraced	304	From RM350,000	2023
Rimbun Jasmine		2-sty Terraced	766	From RM480,000	2023
PR1MA Residensi Bandar Ekar (Phase 1)	Seremban	2-sty Terraced	266	From RM165,000	2023
Celyn (Precinct 2A) @ Bayu Sutera	Bandar Sri Sendayan	2-sty Terraced	255	From RM609,888	2023
Clover (Phase 2)		2-sty Terraced	183	From RM628,000	2023
Lyra @ Bayu Sutera (Precinct 1B)		2-sty Terraced	190	From RM689,000	2023
Rimbun Kiara (Phase 1)	Seremban 2	2-sty Terraced	110	From RM757,080	2023
Rimbun Kiara (Phase 2)		2-sty Terraced	145	From RM757,080	2023
Gitaran (Phase 8C) @ Iringan Bayu	Seremban	2-sty Terraced	306	From RM422,820	2023
Erama (Phase 8A) @ Iringan Bayu		1-sty Semi-Detached	180	From RM534,420	2023
Erama (Phase 8B) @ Iringan Bayu		2-sty Semi-Detached	142	From RM680,000	2023
Kemayan Heights		2-sty Semi-Detached	120	From RM922,000	2024
Arden Hill@Forest Heights		2-sty Terraced	218	From RM492,000	2024
Dayana 2 (Phase 2) @ Nilai Impian		Nilai	2-sty Terraced	78	From RM527,888
Lyra @ Bayu Sutera (Precinct 1A)	2-sty Terraced		153	From RM615,888	2024

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Dwi @ Rimbun Kasia	Nilai	Apartment	382	From RM250,000	2023
Bayu Temiang	Seremban	Condominium	354	From RM388,000	2023
Alpinia Residence @ Putra Nilai	Nilai	Serviced Apartment	512	From RM266,000	2024
Residensi Desa Saga	Taman Desa Saga, Nilai	Condominium	200	From RM320,000	2024
Ara Residence @ Myra Impian	Nilai	Serviced Apartment	546	From RM341,000	2025

In the pipeline, there are 21,982 new units under construction involving both landed and high-rise units. Adding further stock to terraced homes are another 16,870 new units on its way to completion. Condominium/apartment will be seeing a future injection of 2,658 new units. By district, Seremban holds the largest portion of incoming residential supply with 14,874 units, followed by Port Dickson at 3,435 units. Both areas remain the top two districts as a place for residence.

In meeting the constant demand for affordable homes, the federal government has allocated RM24 million to build a public housing project (PPR) in Jempol comprising of 100 units of terraced homes. This project will be sited on a 3.5-hectare land in Kampung Datuk Johan, which is a state-owned land provided for free. Construction is expected to start in 2024.

Also coming in to fulfill the affordable home demand is developer YNH Property Bhd. They made their debut in Negeri Sembilan with the development of a new township in Kuala Pilah. Designed as a mixed development township, it will comprise 2,200 units of properties with focus on affordability. Phase 1 comprise of 500 residential units. The new township is located about 40km away from Seremban.

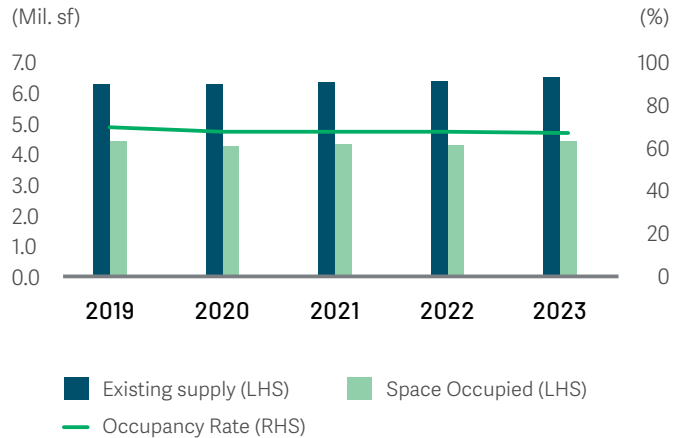
IJM Land Bhd has introduced their fourth and final precinct of S2 Heights named S2 Heights Aman at 400 acres wide. S2 Heights is an extension of Seremban 2, a township by IJM Land since its first development back in 1995. S2 Heights added another 1,900 acres to the existing township. The first residential project for S2 Heights Aman is the Sutera, comprising of 308 2-storey link homes that will be developed in two phases. Two other projects in planning for the fourth precinct is the Vio Banj'ran and Nova. The former comprising of 2-storey and 3-storey bungalows whereas the latter involving 2-storey semi-detached units.

RETAIL

The retail sector of Negeri Sembilan saw a slight growth of 1.3% in supply, coming to 6.60 million as at 1H2023 with occupancy performing at 68.2%, registering a slight improvement of 1.0%. This leaves 2.10 million of retail space vacant in the market.

Existing Supply & Occupancy Rate of Retail Spaces in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



Of the 95 retail complexes in the state, Seremban has the biggest supply share of 35.8% or 34 establishments, followed by Kuala Pilah with 10 establishments. 3.84 million sf of retail space is concentrated in Seremban but occupancy rate is at a challenging 63.8%, leaving 1.34 million sf vacant. No new retail establishments were recorded in the pipeline.

PURPOSE-BUILT OFFICE

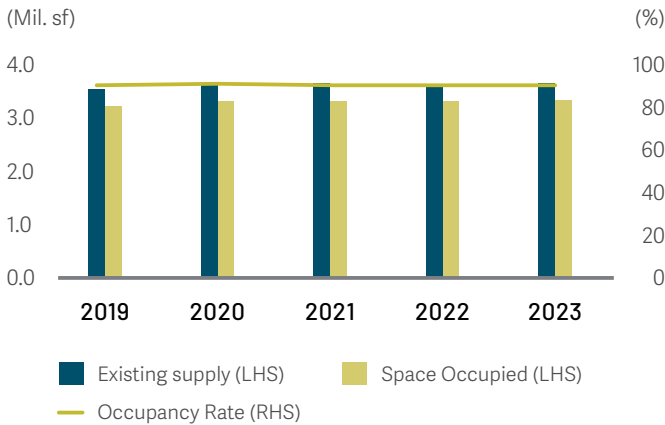
The PBO sector of Negeri Sembilan remains quiet with no major injection seen for the market in the past years. Supply of office space maintains at 3.70 million with an occupancy performance of 90.6%. It was observed that occupancy rate had slightly dropped by 0.3% in response to a small increase in supply of 0.5%.

By locality, Seremban holds the highest concentration of office space at 57.6% supply share followed by Seremban 2 at 13.5%. Combined, both areas hold 2.63 million sf of Negeri Sembilan's office stock. Thanks to its high occupancy rate, there is only 347,642 sf of vacant office space in the market though this is down to there being no new injections for a while. Seremban performs at 86.1% whereas Seremban 2 at 91.2%.

That said, there are 3 new office buildings recorded in the pipeline but are on the smaller scale in size at 95,056 sf combined. The incoming new office spaces are located in Seremban 2.

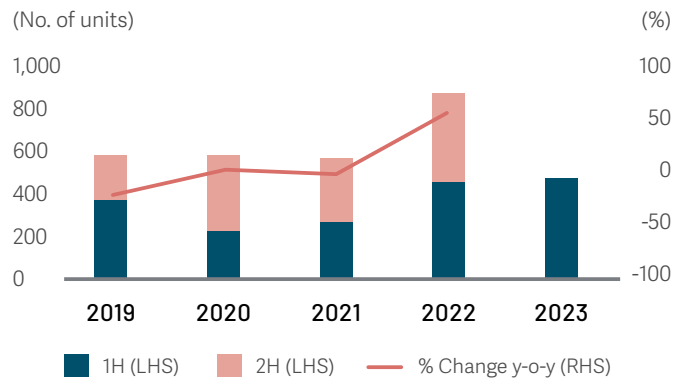
Existing Supply & Occupancy Rate of Purpose Built Office in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



Volume of Shop Office Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



SHOP OFFICE

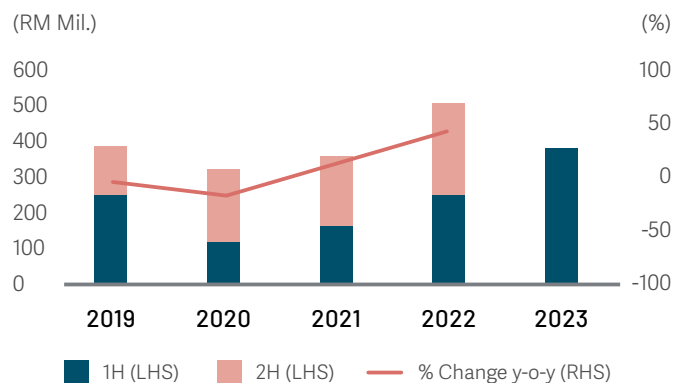
Following the notable growth seen for 1H2022, 2023 sees a more moderate growth pace for its first 6 months at 4.7% in volume but value registering a notable 52.7% growth. This puts 1H2023 at 470 transacted units worth RM381.30 million. Current market levels retain its position above 2019's pre-pandemic levels so far.

As the capital district of Negeri Sembilan, 73.0% of the transactions were located in Seremban. In terms of price bracket, transactions were relatively distributed across the range with the exception of above RM1 million which recorded 124 transactions, taking up 26.4% market share. 2-storey shop offices take the lead with a 71.7% market share.

On the supply side, 1H2023 sees 26,689 shop office units in the market ranging from pre-war to 6-storey types. Of these, 57.1% are 2-storey shop offices and followed by 3-storey shop offices at 20.4% supply share. By area, Seremban has the highest stock at 17,114 units, taking

Value of Shop Office Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



Selected Upcoming Shop-offices in Negeri Sembilan

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Taman Bukit Senawang Perdana	Senawang	2-sty Shop Offices	39	From RM589,000	2024
IramaBiz @ Irama Sendayan	Seremban	2-sty Shop Offices	60	From RM718,000	2025



Port Dickson

up 64.1%. Other areas with notable shop office presence include Jempol, Port Dickson and Tampin though these average at about 2,300 units each.

In the pipeline, there are 910 new units under construction with most primarily being in Seremban (52.9% of the new units), Tampin (18.0%) and Port Dickson (15.1%).

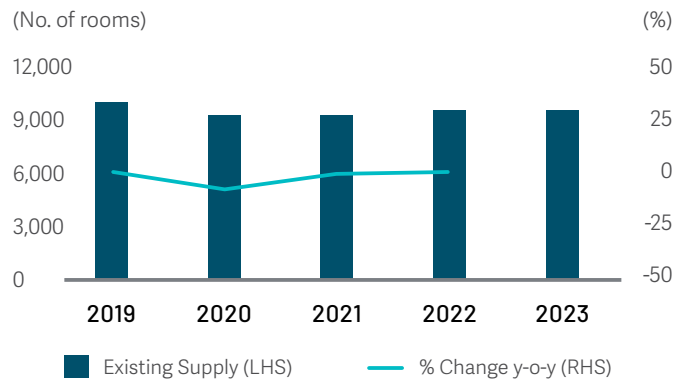
HOTEL

1H2023 saw no new injection of rooms for Negeri Sembilan’s hotel sector. Supply maintained at 9,542 rooms across 143 hotel establishments. 11 of the hotel establishments are rated 4 to 5-star and 12 establishments rated 3-star. There are 5 new hotel establishments in the pipeline with no completions thus far recorded, keeping at 1,546 new rooms currently under construction.

One of the upcoming hotels in the pipeline is Lexis Hibiscus 2 in Port Dickson. Last announced to be scheduled for opening in 2024, the 5-star luxury resort will add on another 760 rooms alongside the existing Lexis Hibiscus. The second hotel will also comprise of its idiosyncratic water villas.

Existing Supply of Hotels in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



INDUSTRIAL

The industrial sector of Negeri Sembilan sees market transaction stabilising for 1H2023 with just a minimal growth of 0.3% in volume but a far bigger growth of 40.7% in value – putting 2023’s first 6 months performance at 305 transacted units worth RM626.48 million. Transaction remains above 2019’s pre-pandemic levels.

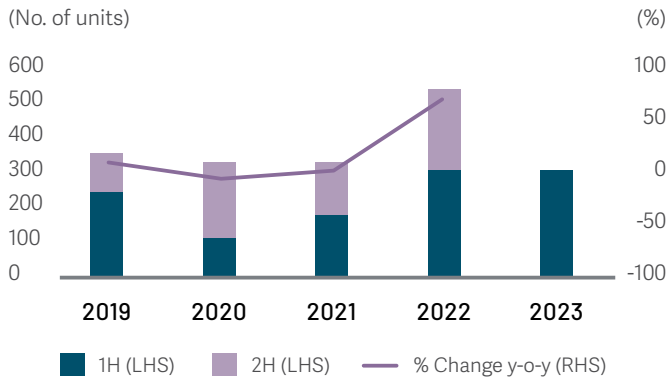
More than 90% of the industrial transactions were recorded in Seremban district, at 282 transactions worth RM582.25 million. By type, 41.3% are of the terraced factory/warehouse, followed by 34.8% being vacant industrial plots. 53.1% of transactions were below RM500,000 and 31.1% above RM1 million.

Supply wise, 1H2023 saw 5,574 industrial units in the market with another 184 new units in the pipeline. Terraced units rank top at 67.0% supply share, followed by semi-detached units at 15.6%. The same trend is seen for the upcoming stock as well, with both mentioned types contributing the most.

TH Properties Sdn Bhd has unveiled the final phase of their Techpark@Enstek Phase 3 comprising of semi-detached industrial units. The final phase is the largest for the industrial park, covering an area of 616.64 acres out of the total 1,750.8 acres of the entire industrial park. Techpark@Enstek is situated within the 5,119-acre Bandar Enstek. The phase is estimated to be developed

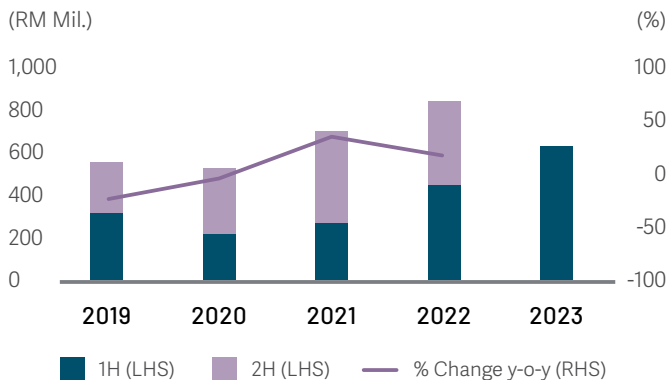
Volume of Industrial Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Negeri Sembilan (2019-1H 2023)

(Source: JPPH)



in 6 phases over 14 years. The first phase commenced construction in 2023 and completion projected to be by 2026, covering 189.38 acres of land.

Fajarbaru Builder Group Bhd (FBG) has entered into a joint venture agreement with Care Dynamic Sdn Bhd (CDSB) to develop a 4.4-hectare industrial park comprising of 672 units of centralised labour quarters. Since CDSB's principal activity is in hostel management, they will lead discussions and negotiations pertaining to land ownership and coordinating sales and marketing of the project. FBG will lead and coordinate the construction and contribute capital and funding of the development.

As a long-term comprehensive plan for the districts of Seremban and Port Dickson, the Malaysia Vision Valley 2.0 (MVV 2.0) is expected to have a major impact on the national economy by way of up to 15% contribution to

Malaysia's GDP once fully developed in 2045. Currently, the development concept is in its implementation phase with some groundwork under way. Starting with Parcel A, covering an area of 1,148 hectares, plans are made to have a high-tech industrial area known as NS High Tech Industrial Park. Parcel B is being planned to be developed into a Smart County with a new central business district and will include key components: residential, commercial and light & medium industrial units.

NOTABLE ANNOUNCEMENTS

- The federal government has allocated RM7.04 million for the construction and maintenance of various public infrastructures in Jempol, including upgrading the Bahau market and constructing Dataran Meranti.
- RM1.1 million has been allocated to repair the Taman Bahau Indah flats and another RM2.98 million for the construction of a new fire station at Felda Palong Enam.
- Fraser & Neave Holdings Bhd (F&N) will be looking to invest at least RM1 billion in developing phase 1 of its integrated dairy farm in Gemas. This keeps the group on track to becoming Malaysia's largest milk producers.
- Seremban Engineering Bhd and NS Corp have formed a joint venture (JV) to develop 3 parcels of concession land measuring 26.38 acres which includes the Jetty Arang, in Port Dickson.

SOUTHERN REGION



Melaka

Johor



Puteri Harbour, Johor



Capital: Kota Melaka

Est. Population: 1,027,500

Area (km²): 1,720

(Source: DOSM)

MELAKA

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	215,100 units	1.6% y-o-y ▲
Transaction Volume	4,563 units	0.5% y-o-y ▼
Transaction Value	RM1.31 bil.	9.2% y-o-y ▼

RETAIL

Supply	6.84 mil. sf	0.0% y-o-y ■
Occupancy Rate	56.2%	6.3% y-o-y ▼
Rental	RM4.00 psf – RM23.00 psf	

PURPOSE-BUILT OFFICE

Supply	4.42 mil. sf	1.5% y-o-y ▼
Occupancy Rate	82.8%	3.5% y-o-y ▼
Rental	RM1.20 psf – RM3.30 psf	

SHOP OFFICE

Supply	21,383 units	0.0% y-o-y ■
Transaction Volume	375 units	10.0% y-o-y ▲
Transaction Value	RM232.16 mil.	22.2% y-o-y ▲

HOTEL

Existing Supply	17,877 rooms	0.6% y-o-y ▲
Incoming Supply	682 rooms	

INDUSTRIAL

Supply	7,184 units	0.0% y-o-y ■
Transaction Volume	174 units	11.7% y-o-y ▼
Transaction Value	RM158.79 mil.	44.8% y-o-y ▼

RESIDENTIAL

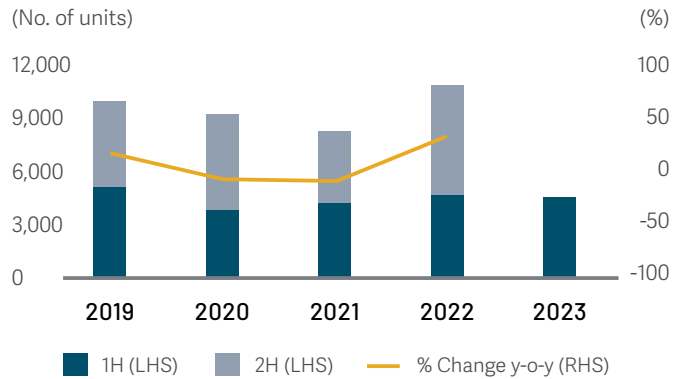
Melaka’s residential market, as at 1H2023 saw minimal movement in transaction activities – dropping by 0.5% in volume and 9.2% in value to 4,563 transacted units worth RM1.31 billion. Despite having experience some upward recovery growth from 2020's bottom point, transaction levels have yet to return back to 1H2019’s performance of 5,061 transactions worth RM1.36 billion.

82.9% of total residential transactions were recorded below RM400,000, showing affordable priced homes remain in high demand of local homebuyers. Landed homes also remain a popular choice, especially for terraced homes with a market share of 57.4%. Condominiums/apartments only make up 5.0% of the total transaction. Of the 3 districts, Melaka Tengah recorded the highest number of transactions at 53.2%, followed by Alor Gajah with 29.5% and Jasin with 17.3%.

On the supply side, the same pattern follows with terraced homes contributing 54.3% of Melaka’s total residential stock, standing at 215,100 units as at 1H2023. Condominiums/apartments remain on the lower scale of 7.0% stock share. As the main district of Melaka, Melaka Tengah holds 66.1% of the state’s residential stock, at 142,194 units. Alor Gajah comes next with 20.5% and Jasin with 13.4%. Categorized under the commercial category, Melaka has a considerable supply of serviced apartment units, totaling 6,363 units with no new additions in recent years.

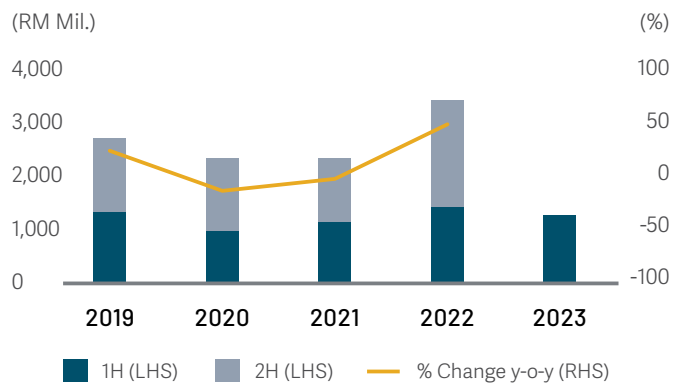
Volume of Residential Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)



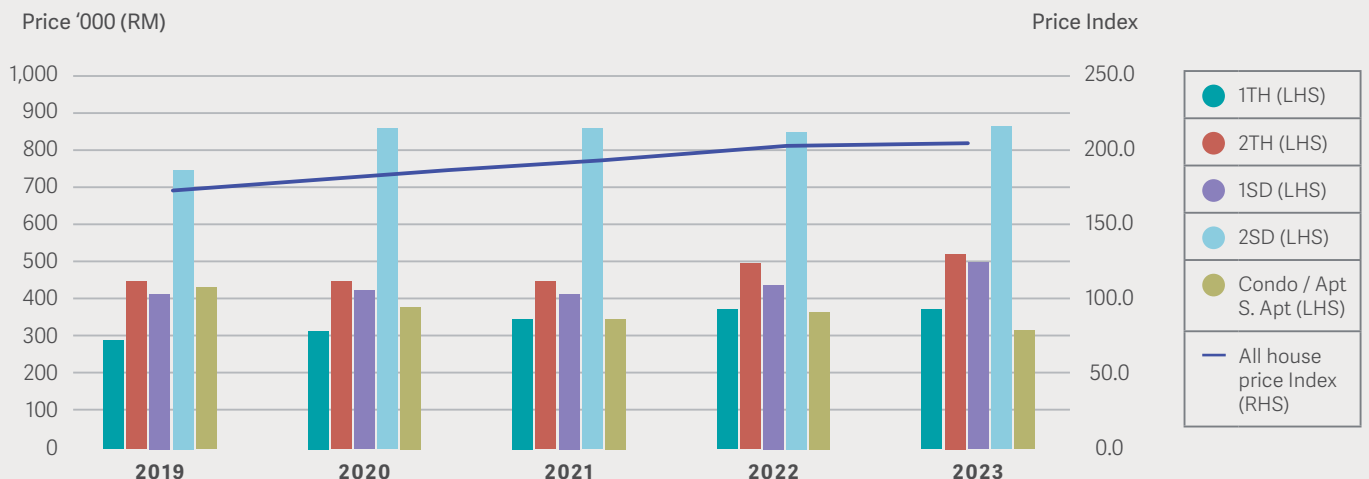
Value of Residential Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)



Melaka Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Melaka

Landed

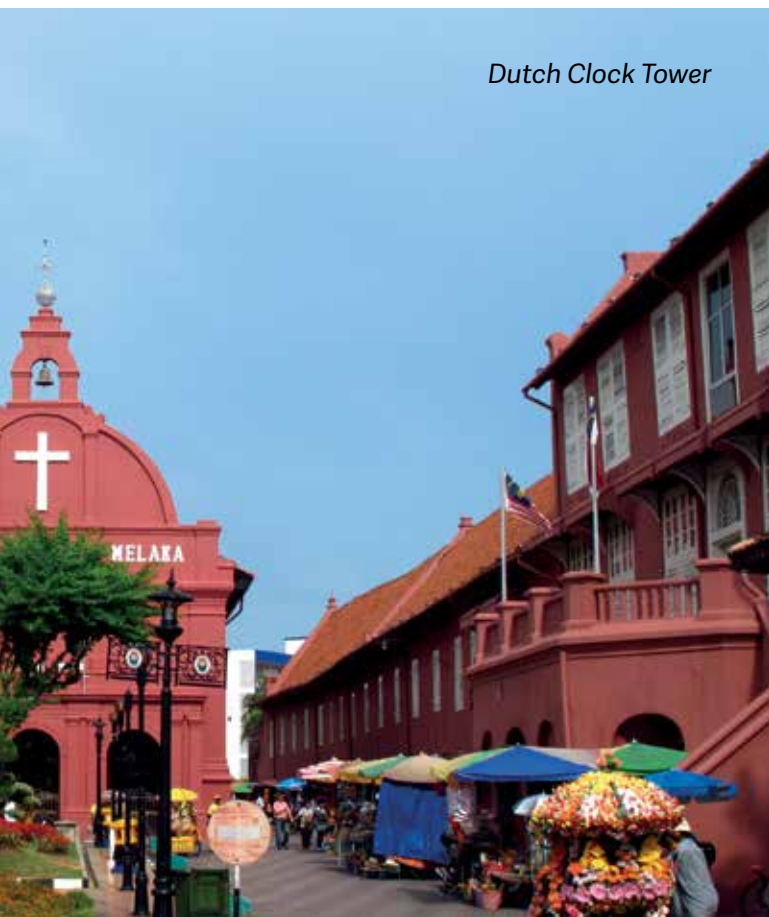
(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Scientex Durian Tunggal 2 - Pearl (MD23)	Durian Tunggal	2-sty Terraced	27	From RM255,600	2023
Bandar Botanic Parkland	Jasin	2-sty Terraced	404	From RM300,000	2023
Scientex Jasin		2-sty Terraced	291	From RM250,000	2023
Tropika @ Vista Belimbing	Durian Tunggal	1-sty Semi-detached	28	From RM435,000	2023
		2-sty Semi-detached	70	From RM658,000	2023
Taman Desa Bertam (Ph 1)	Tanjong Minyak	2-sty Semi-detached	95	From RM448,800	2023
Molek Residence	Ayer Molek	2-sty Terraced	281	From RM561,000	2024
		2-sty Semi-detached	26	From RM1,334,000	2024
Taman Bukit Katil Damai	Bukit Katil	2-sty Terraced	119	From RM400,000	2024
Tropika 2 @ Vista Belimbing	Durian Tunggal	2-sty Semi-detached	100	From RM658,000	2024

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Admiral Residences (Phase 1)	Kota Laksamana	Condominium	1,440	From RM371,000	2023
Residensi Bukit Katil	Bukit Katil	Condominium	527	From RM230,000	2023
Prima Residensi Melaka Tengah 2	Bandar Melaka	Condominium	980	From RM109,440	2023
Sri Melaka Residensi (Block A & B)	Bukit Serindit	Condominium	2,070	From RM275,000	2023
Sri Melaka Residensi (Block C, D & E)		Condominium		From RM280,000	2024
Embique Condotel	Bandar Hilir Melaka	Serviced Apartment	152	From RM424,800	2024
Ambience Residence @ Pulau Gadong	Klebang	Apartment	723	From RM220,160	2025



Dutch Clock Tower

In the pipeline, a total of 23,344 new units are in construction. 10,782 of the new units are terraced homes, keeping this popular residential type in its place. This is followed by condominiums/apartments with 6,295 new units in the making, making up 27.0% of the incoming supply. This shows a new wave of high-rise is making its way into the market though it is yet to be seen if the market will readily absorb the new stock though there are signs of growing preference for these high-rise types amongst investors especially for short-term rental use. Melaka Tengah is home to 87.7% of the new high-rise units in construction. Additionally, there are also 6,528 new serviced apartment units and 352 new SOHO units in construction as well.

A new township is in the plans for Alor Gajah as Sand Nisko Capital Bhd (SNC) is set to undertake a proposed mixed-development project named Meswara City. Via a collaboration with Evergreen More Sdn Bhd (EMSB), the project will be built on a total of 519.5 acres on 3 adjoining plots of land and developed in 3 phases. Phase 1 will primarily focus on commercial units including shop offices, a convention hall and hypermarket. Phase 2 will comprise of residential components totaling 2,920 units. Phase 3 will also comprise of residential components, namely 2-storey bungalows, 2-storey semi-detached units as well as a university campus.

Marked as the state's first solar-powered homes, Taman Bertam Heights (TBH) Phase 2A by Teladan Group Berhad is a 352-unit residential scheme comprising of 2-storey terraced and semi-detached units. Phase 2A distinguishes itself from the other phases of the larger 166.3-acre TBH township with the pioneering integration of solar readiness. With an estimated GDV of RM242.0 million, Phase 2A is projected to complete in the fourth quarter of 2026.

In their effort to encourage and assist homeownership amongst the B40 group, the state government aims to increase the number of homes under the rent-to-own (RTO) concept. As of May 2023, the Melaka Housing Board (LPM) has 1,150 homes under the RTO concept. This includes 1,100 PPR homes in Tehel and 50 Rumah Sejahtera units in Lipat Kajang. Under the RTO concept, each recipient will need to pay a monthly rental fee of RM200 to RM300.

RETAIL

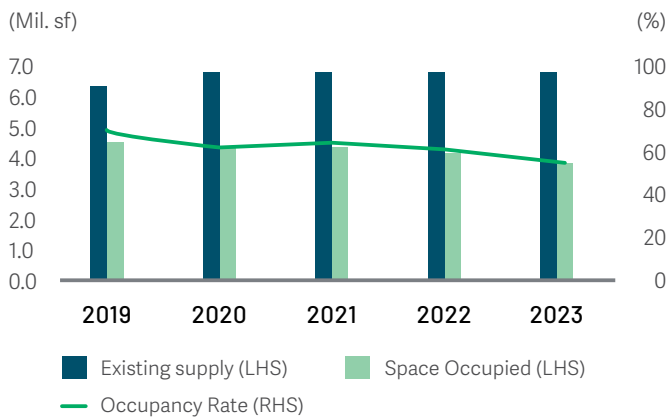
The retail sector of Melaka continues to see a downward pressure on occupancy rate as 1H2023 saw a further drop of 6.3% in occupancy rate to 56.2% despite supply remaining at 6.84 million sf. Melaka Town holds the highest concentration of retail mall space of 59.5% supply share, totaling at 4.07 million sf. But with an average occupancy rate of just 46.0% in the area, 2.20 million sf are left vacant and unoccupied. Melaka Tengah also has a considerable vacant stock of 721,494 sf with its occupancy rate at 59.3%. This paints a highly challenging market environment, although many would expect things to pick up post-pandemic.

In the pipeline, there are 2 incoming retail malls in construction. One in Melaka Town and the other in Melaka Tengah, sized at 408,652 sf and 207,528 sf respectively. Facing a retail sector that is just having half its stock absorbed, the injection of these new spaces may only add on further weight to the already burdened occupancy rate and thus bringing occupancy performance even lower should demand not pick up soon enough.

Following their move in repositioning the existing Elements Mall into the region's first large-scale integrated electronic sports (e-sports) experiential hub and Metaverse gateway, Hatten Land will also reposition another existing mall, Imperio Mall, into a medical mall.

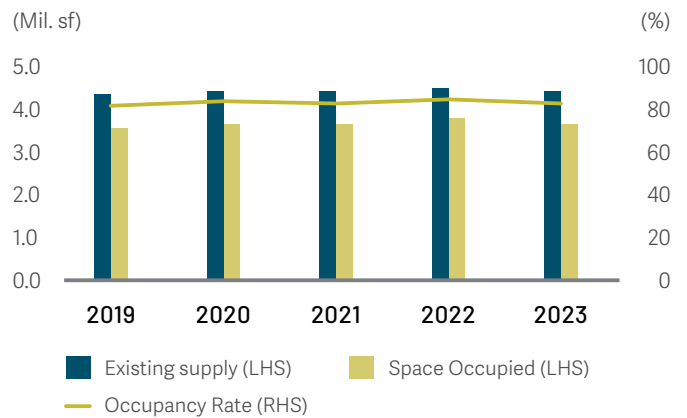
Existing Supply & Occupancy Rate of Retail Spaces in Melaka (2019-1H 2023)

(Source: JPPH)



Existing Supply & Occupancy Rate of Purpose Built Office in Melaka (2019-1H 2023)

(Source: JPPH)



With Singapore-based Quantum Healthcare onboard as their strategic partner, a specialist outpatient care centre, Quantum Specialist Centre will be established in Imperio Mall. Of the 350,000 sf of NLA over 8 floors, Quantum Specialist Centre will take up at least 180,000 sf across 3 floors. This marks Quantum Healthcare's first overseas expansion and maiden venture.

Jiankun International Bhd have plans to build a commercial complex in Klebang comprising of retail, serviced apartments and office components. Though thus far, no further details have been shared on the development.

PURPOSE-BUILT OFFICE

The office sector of Melaka remains quiet as of 1H2023 with no new injections into the sector, instead a small dip of 1.5% was observed in the supply, coming to 4.42 million sf. Occupancy rate stands at 82.8% following a small drop of 3.5%, but holding up above the 80% mark.

With a relatively healthy occupancy rate, there are only about 760,000 sf of office space sitting vacant in the market out of the 4.42 million sf. Melaka Tengah has the highest concentration of office space, at 2.48 million sf. Melaka Town comes next at 1.62 million sf. Of the areas observed, Melaka Town has the highest vacant space at 513,923 sf.

There is no new office supply recorded to be in construction as of 1H2023 but a new office tower is proposed as part of the upcoming Parkland Avenue mixed-use development by Parkland Group in Kota Laksamana.

SHOP OFFICE

The shop office sector of Melaka saw a positive movement in its transaction activities as 1H2023 registered further growth of 10.0% in volume and 22.2% in value to 375 transactions worth RM232.16 million. This positions the sector's performance to above 1H2019's pre-pandemic levels of 344 transactions worth RM223.53 million, boding a positive outlook for the sector considering the retail mall sector is facing a continued challenging climate.

74.9% of the transactions were recorded to be in Melaka Tengah, followed by 13.1% in Jasin and 12.0% in Alor Gajah. 2-storey shop offices take the lead as the most transacted type, taking up 66.1% market share.

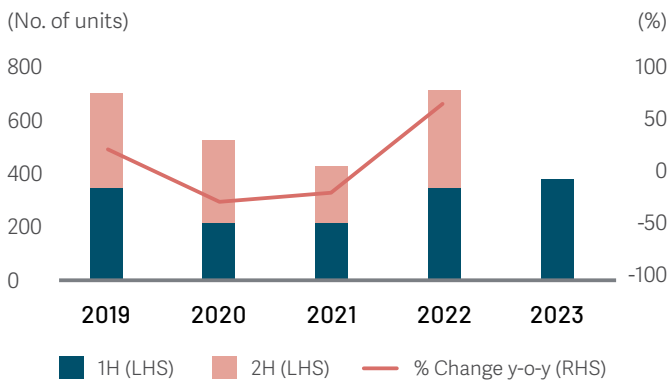
Ranging from pre-war to 6-storey high, the shop office supply of Melaka is at 21,383 units as at 1H2023. 2-storey shop offices prove to be the most popular type with a 48.1% supply share, followed by 3-storey shop offices at 20.6%. By area, Melaka Tengah holds 75.2% of the state's shop office stock followed by Alor Gajah with 14.9%.

In the pipeline, there are 1,078 new shop offices under construction. 63.6% of them are located in Melaka Tengah and another 20.6% in Jasin. 2-storey shop offices are again the popular choice in supply, contributing 66.8% of the incoming stock.

Amongst the incoming supply, Phase 1 of Meswara City by Sand Nisko Capital is going to have 294 units of 2-storey shop offices, 36 units of 2-storey shop lots, 4 units of 2-storey drive-through restaurant and a hypermarket. Also included are a convention hall and a cultural village. Phase 2 and 3 will bring in the residential aspect, with

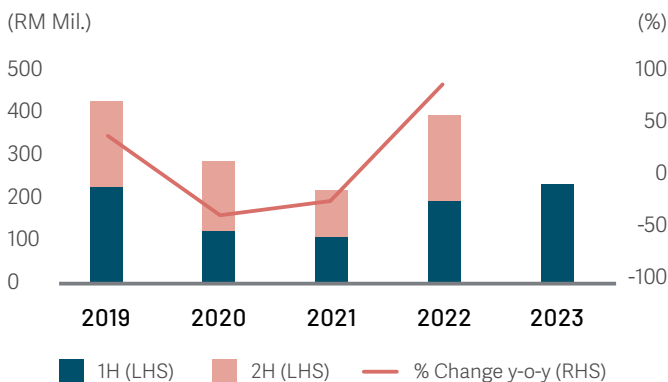
Volume of Shop Office Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)



a university campus included. Meswara City will kick-off with the commercial components first to build and gain traffic into the area before following it up with the residential components.

HOTEL

The hotel sector of Melaka remains somewhat stable with just 0.6% increase in room supply observed. As at 1H2023, the state has a total 17,877 hotel rooms across 175 hotel establishments. Of the total establishments, 22 are rated 4 and 5-star whereas 36 are rated 3-star. In the pipeline, there are 3 new hotels in construction with a cumulative new supply of 682 rooms to be injected into the market upon completion.

Making its debut in Melaka’s hotel scene, the 4-star Courtyard by Marriott Melaka opened its doors for guests in April 2023. Developed by Yong Tai Berhad, the 287-

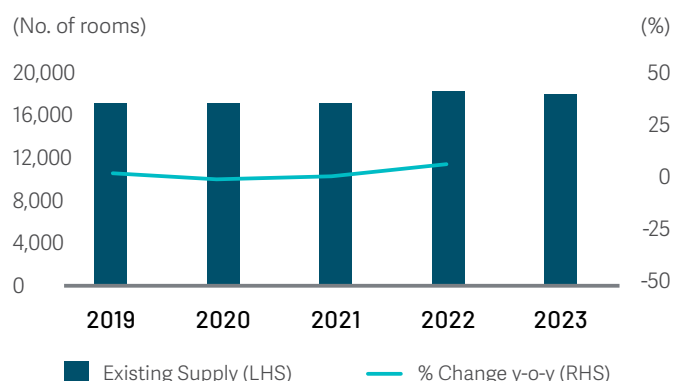
room establishment is expected to generate consistent recurring revenue for the company as tourists return to Melaka post-pandemic. This marks Marriott International’s third Courtyard hotel in Malaysia following the previous openings of Courtyard by Marriott Penang in 2018 and Courtyard by Marriott Setia Alam in 2022.

Keeping to its iconic stature, The Sail Melaka development by Sheng Tai International Sdn Bhd will feature Southeast Asia’s first Karl Lagerfeld Hotel & Residences, as announced by the developer in mid-2023. It will be one of its kind in Malaysia. The Sail Melaka is situated within the Melaka Waterfront Economic Zone in Kota Laksamana and comprises a total of 9 towers for business, hotels, entertainment and leisure.

On another note, three notable hotel establishments in Melaka remain closed with no news of reopening or redevelopment. These are Hotel Renaissance Melaka (formerly known as Hotel Ramada Plaza Melaka), Hotel Equatorial and Hotel Emperor. The local authority has identified these three establishments to be the prominent abandoned developments within the Majlis Bandaraya Melaka Bersejarah (MBMB) area and is found to be an eyesore for the area’s overall image. Though no applications have been submitted by any parties with regards to reviving the hotels, MBMB is holding hopes for a white knight to make entrance and give the locally known establishments a new lease of life.

Existing Supply of Hotels in Melaka (2019-1H 2023)

(Source: JPPH)



"KEEPING TO ITS ICONIC STATURE, THE SAIL MELAKA DEVELOPMENT BY SHENG TAI INTERNATIONAL SDN BHD WILL FEATURE SOUTHEAST ASIA'S FIRST KARL LAGERFELD HOTEL."

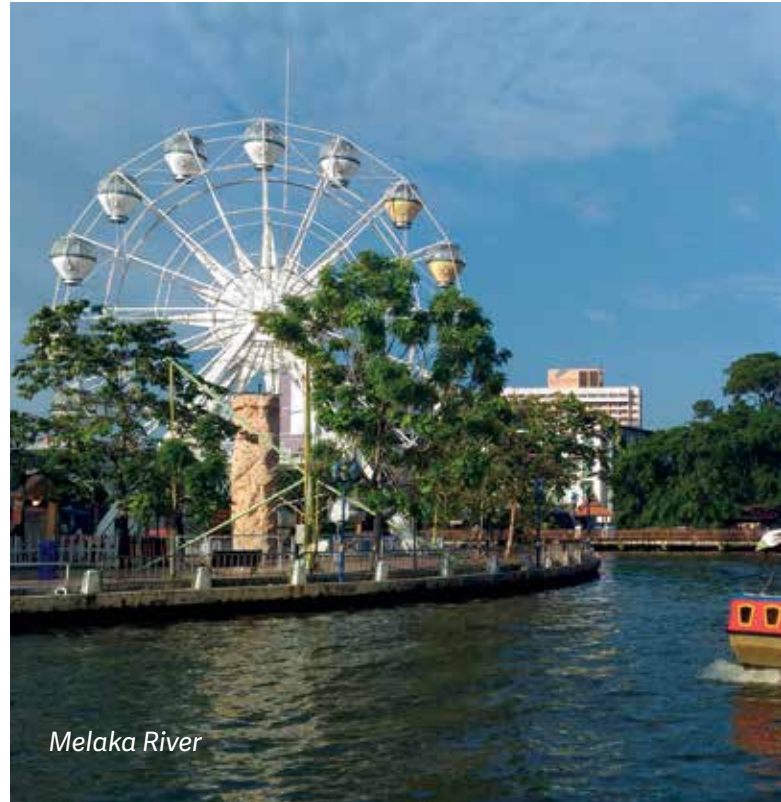
INDUSTRIAL

Following its consistent growth in the past 3 years, 1H2023 saw Melaka's industrial sector slowed down with a drop of 11.7% in volume and 44.8% in value to 174 transactions worth RM158.79 million. The transactions saw 37.4% of it involving vacant industrial plots, followed by semi-detached factory/warehouse at 27.0% and terraced factory/warehouse at 23.0%. About 70% of the transactions are located in Melaka Tengah and the remaining 30% in Alor Gajah and Jasin.

The existing supply of Melaka's industrial stock remained at 7,184 units with no new supply injection recorded for 1H2023. Melaka Tengah holds the largest supply of industrial properties at 78.0% supply share, followed by Alor Gajah at 16.2%. By type, detached industrial properties take the lead with 2,867 units and coming in second at an equal 30% supply share are terraced and semi-detached factory/warehouse.

EP Manufacturing Bhd (EPMB) will be establishing an automotive manufacturing facility in HICOM Pegoh Industrial Park, Alor Gajah. Involving over RM100 million in investment, the new facility will cater for BAIC and Great Wall Motor (GWM) vehicles. Development will be done in phases and the eventual full operation of the facility is projected to create around 1,000 new job opportunities in Melaka.

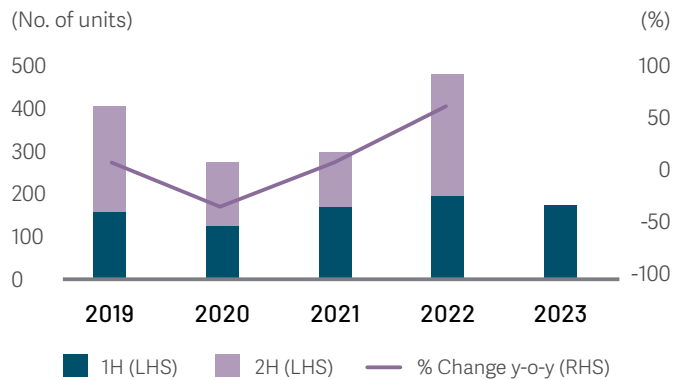
Japan-based Koa Corporation is investing an additional RM1 billion for phase 2 development of its chip, microchip and electronics plant. The new factory is sited on 8.37 hectares of land in Ayer Keroh Eco Park with completion targeted in 2025.



Melaka River

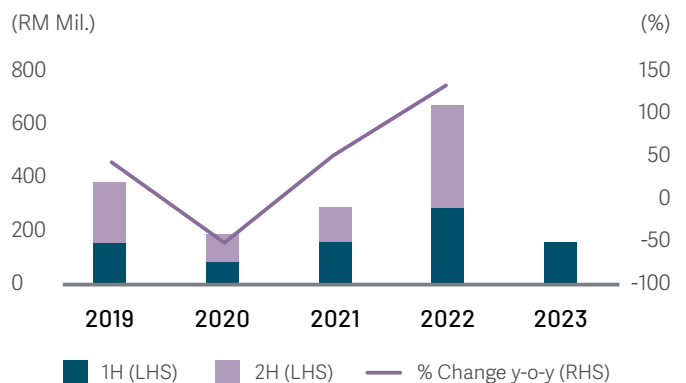
Volume of Industrial Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Melaka (2019-1H 2023)

(Source: JPPH)





NOTABLE ANNOUNCEMENTS

- The state government is looking to build 40 Centralised Labour Quarters (CLQs) by 2025 to accommodate more than 40,000 foreign workers. The current CLQs capacity stands at 15 and houses up to 9,359 workers which is significantly insufficient for the somewhat 63,500 workers currently working within the industrial sector.
- The Sail Experiential Centre was launched in January 2023, marking the first completion of The Sail Melaka mixed development by Sheng Tai International Sdn Bhd. It is a 3-storey building comprising the LSL Ballroom, Sheng Yan Restaurant, The Sail Melaka sales gallery, and the nine towers' show units.
- Teladan Setia Group Bhd is making plans to purchase a leasehold land in Melaka town for RM48.5 million to develop a health and wellness centre and serviced apartment. The land is believed to be strategically located opposite the Mahkota Medical Centre and within walking distance to popular tourist spots including Jonker Street.
- Previously put on hold, the RM43 billion Melaka Gateway mega project will be revived as announced by KAJ Development Sdn Bhd. This will follow the approval of guidelines and regulations, with the support of the federal and state government. Recommencement will begin with the construction of the Melaka International Cruise Terminal (MICT) as the only international cruise pier in Melaka.
- Melaka is set to receive RM3.5 billion in investment through seven projects via a collaboration with Cheng Ho International Trade and Cultural City Centre Sdn Bhd and investors from China. One of the projects involve an 88-storey Asean-China Tower to be constructed in the Melaka Waterfront Economic Zone.
- The Kuala Linggi International Port (KLIP) will see an expansion of an additional 251 hectares of reclaimed land within the vicinity of the Sungai Linggi.

Capital: Johor Bahru

Est. Population: 4,100,900

Area (km²): 19,166

(Source: DOSM)

JOHOR

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	899,156 units	1.9% y-o-y ▲
Transaction Volume	17,962 units	39.9% y-o-y ▲
Transaction Value	RM7.85 bil.	60.2% y-o-y ▲

RETAIL

Supply	26.36 mil. Sf	0.3% y-o-y ▲
Occupancy Rate	70.0%	2.2% y-o-y ▼
Rental	RM8.50 psf – RM31.80 psf	

PURPOSE-BUILT OFFICE

Supply	15.17 mil. Sf	3.5% y-o-y ▲
Occupancy Rate	70.0%	1.7% y-o-y ▼
Rental	RM2.00 psf – RM6.00 psf	

SHOP OFFICE

Supply	87,468 units	1.2% y-o-y ▲
Transaction Volume	1,637 units	16.5% y-o-y ▲
Transaction Value	RM1.41 bil.	28.7% y-o-y ▲

HOTEL

Existing Supply	31,184 rooms	1.9% y-o-y ▼
Incoming Supply	3,087 rooms	

INDUSTRIAL

Supply	19,001 units	2.3% y-o-y ▲
Transaction Volume	684 units	29.3% y-o-y ▲
Transaction Value	RM2.11 bil.	4.1% y-o-y ▲

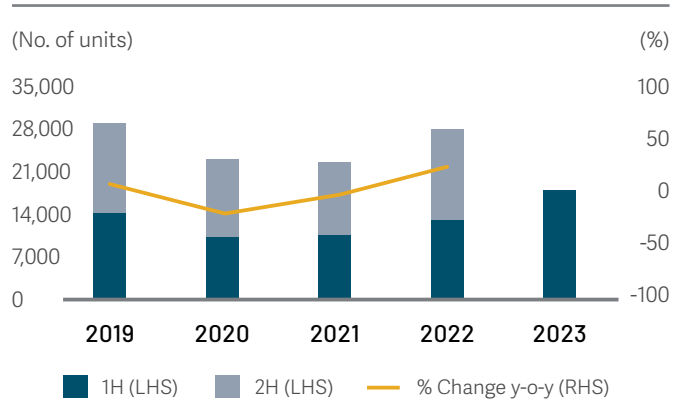
RESIDENTIAL

While some other states had taken a more moderate pace in market activities for the first 6 months of 2023 following consecutive rebounds since the economy reopened post-pandemic, Johor’s residential market proved its resilience with the biggest rebound thus far from 1H2020’s low point. Registering an increase of 39.9% in volume and 60.2% in value, 1H2023 pulled through with 17,962 transactions worth RM7.85 billion. This marks Johor’s residential market to outperform 1H2019 that had recorded 14,046 transactions worth RM4.90 billion.

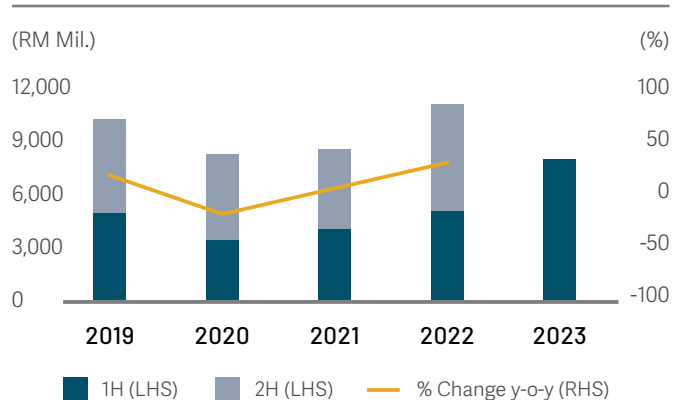
Of the total residential transactions, terraced homes dominated the market with a 57.9% market share, followed by low-cost houses at 9.3%. Condominium/apartment units take up 7.0% across the state. Close to two thirds of the demand was observed to fall within the more affordable category of below RM500,000 – specifically at 69.7% market share. As the capital of Johor, 58.0% of the transactions are located in Johor Bahru, followed by Kulai (8.5%) and Kluang (8.0%).

While serviced apartment and SOHO types are excluded from the residential sector on account of both being commercial-titled properties, it is worth to take note of Johor’s dwelling sector due to its notable presence. In fact, 1H2023 saw 1,115 units of serviced apartments transacted at a value of RM625.61 million. With the exception of 41 transactions recorded for Kulai, 96.2% of the serviced

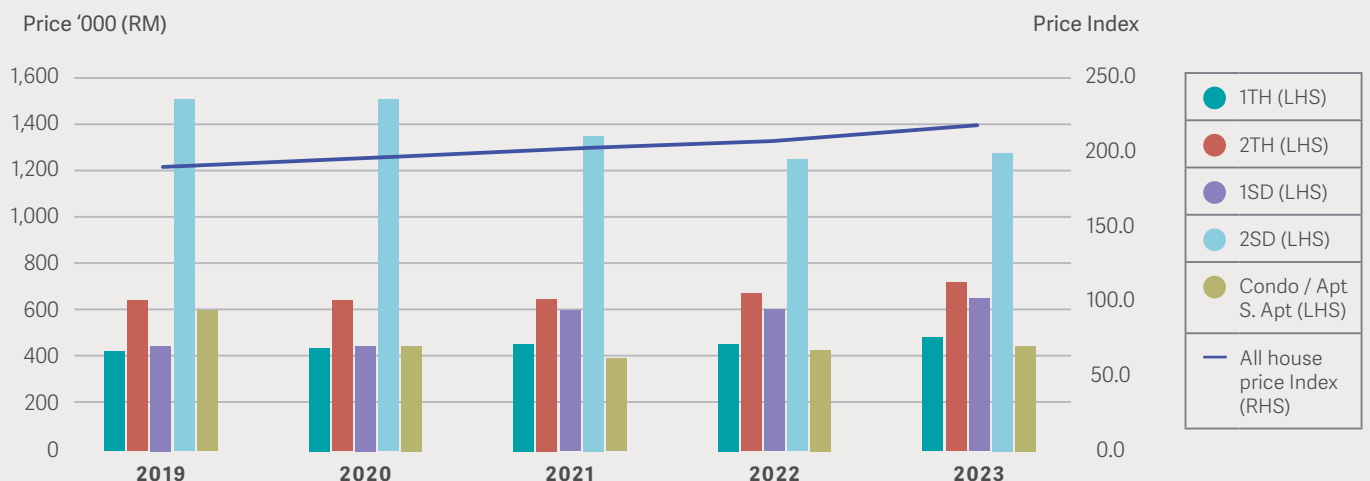
Volume of Residential Property Transactions in Johor (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Johor (2019-1H 2023) (Source: JPPH)



Johor Bahru Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Landed Residential Properties in Johor

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Taman Mutiara Maju	Iskandar Puteri	2-sty Terraced	217	From RM812,000	2023
Erica @ Meridin East (Phase 2)	Pasir Gudang	2-sty Terraced	155	From RM560,845	2023
Erica @ Meridin East (Phase 3)			106	From RM570,880	2023
Iconia Garden Residence - Zone 10A5- Parcel 2	Taman Impian Emas	2-sty Terraced	66	From RM588,000	2023
Taman Lagenda Putra	Kulai	2-sty Cluster	76	From RM932,900	2023
Glenmarie Johor (Phase 1D-2A)	Johor Bahru	2-sty Cluster	20	From RM1,397,200	2023
Glenmarie Johor (Phase 1D-2A)		2-sty Semi-Detached	18	From RM1,635,200	2023
Alocasia Residence @ Setia Tropika	Kempas	2-sty Semi-Detached	48	From RM1,560,000	2023
Austin Duta - Phase 9A	Taman Mount Austin	2-sty Terraced	110	From RM604,350	2024
Erica @ Meridin East (Phase 2H)	Pasir Gudang	2-sty Terraced	108	From RM578,685	2024
Bromborough (RT4) @ Eco Botanic	Iskandar Puteri	2-sty Terraced	105	From RM 1,209,000	2024
Chamborough (RT2B) @ Eco Botanic		2-sty Terraced	103	From RM990,000	2024

apartment transactions were made in Johor Bahru. 83.9% of the serviced apartments were transacted at price tags of between RM200,000 to RM800,000.

On the supply side, 1H2023 saw the residential stock of Johor stand at 899,156 units following a 1.9% increase year-on-year. 51.1% of the stock were terraced homes whilst 7.6% were condominium/apartment units. By district, Johor Bahru has the highest concentration of residential stock at 53.4%, followed by Batu Pahat at 10.8%. For serviced apartments and SOHOs, there are 86,257 units and 2,843 units respectively in the market with Johor Bahru also holding the largest supply share – 97.9% for serviced apartments and a whole 100% for SOHOs.

In the pipeline, Johor has a combined 62,100 new dwelling units under construction as at 1H2023, including serviced apartment and SOHOs. From the total incoming units, high-rise units form the largest share, followed by terraced housing types, then trailed by other types.

This encompasses condominium/apartment, serviced apartment and SOHO types, totaling at 26,527 new units under construction; equivalent to 42.7% incoming supply share.

Aligning with the federal government's mission to overcome the underlying 'sick' housing project problem, the state government has also initiated their own effort to identify and resolve the abandoned projects in Johor. Of the 33 'sick' housing projects identified in the state, six of them were successfully completed as at July 2023. These six projects were valued at RM260.75 million and involved 1,073 home units. A task force was formed called the Abandoned Project Monitoring Committee to monitor and revive any long delayed or abandoned housing projects in Johor.

Amendments have been made by the state government on the State Housing Development Corporation (PKPJ) Enactment 1976 in order to strengthen the agency's role in



High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Prima Larkin Indah	Larkin	Apartment	1,074	From RM300,000	2023
Veranda Residences	Taman Pelangi	Condominium	649	From RM480,000	2023
Amber Heights @ Bandar Seri Alam	Masai	Condominium	240	From RM350,000	2023
Sky Trees	Bukit Indah	Serviced Apartment	484	From RM428,950	2023
Optimus Medini	Medini	Serviced Apartment	316	From RM349,000	2023
Space Residency	Taman Century	Serviced Apartment	995	From RM480,000	2024
Residensi Siera Perdana	Plentong	Apartment	406	From RM385,000	2023
Residensi Mutiara Indah @ Aliff Heights	Tampoi	Serviced Apartment	612	From RM355,000	2024
Residensi Meldrum Meldrum Heights	Johor Bahru	Serviced Apartment	251	From RM275,000	2024
Centro @ JBCC	Johor Bahru	Serviced Apartment	2,432	From RM180,000	2024
KSL Residence 2	Kangkar Tebrau	Serviced Apartment	1,276	From RM220,000	2024
One 49 Residence	Johor Bahru	Serviced Apartment	1,388	From RM289,000	2024
Senai Garden - Tower D & E	Senai	Serviced Apartment	128	From RM500,000	2025
Pangsapuri KSL Bukit Gemilang	Skudai	Apartment	476	From RM377,800	2025



Masjid Sultan Abu Bakar

administering affairs related to public housing, affordable housing and Bumiputera real estate. One other objective of doing so is to connect the role of PKPJ with related agencies, as a focal point through planning, development and review committee (PDRC) platform. PKPJ would also be able to carry out monitoring effectively through strategic cooperation between agencies, as well as implement punitive actions that have legal authority.

MGB Berhad, a subsidiary of LBS Bina Group Berhad has launched Pangsapuri Saujana Indah as an ideal residential choice for golf enthusiasts thanks to its close proximity to the Daiman 18 Golf Club. Developed on a 2.6-acre land, the freehold property comprises 988 units across two 37-storey towers. Tower A offers 393 units while Tower B offers 595 units. Prices start from RM352,000.

RETAIL

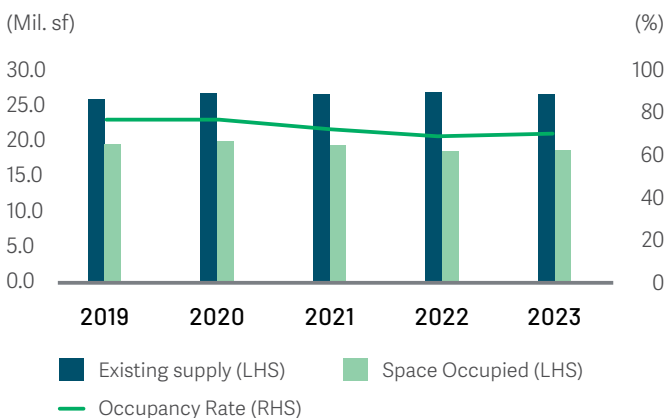
The retail sector of Johor remained relatively stable in supply with just a 0.3% increase recorded, bringing 1H2023 retail space stock to 26.36 million sf. Occupancy performance dropped slightly by 2.2% to 70.0% y-o-y, thus leaving 7.89 million sf of retail space vacant in the market. As the district with the highest concentration of retail space at 20.48 million sf, Johor Bahru also contributed the largest portion of vacant space at 6.35 million sf.

One of the issues with regards to Johor's retail sector is the notable presence of vacant/abandoned malls in the state. Though intentions have been made before by the state government to revive these long abandoned malls and improve the overall retail scenery, nothing much has materialised thus far. The Johor Real Estate Housing Developers Association (REHDA) has shared their opinion that such initiative should be taken up by the private sector with the state government and local authorities facilitating the move. The state government had in fact identified 4 shopping malls that had been left abandoned: Danga City Mall, JB Waterfront City, Pacific Mall and Skudai Parade.

In 2023, there were reports of the Johor government deliberating a "win-win" solution to deal with some of the city's abandoned buildings as part of the Johor Bersih initiative. More so that some of these abandoned buildings are situated within prime areas and have the potential to command high real estate value with the right redevelopment strategy. Though the redevelopment effort

Existing Supply & Occupancy Rate of Retail Spaces in Johor (2019-1H 2023)

(Source: JPPH)



is not as simple as rebuilding any abandoned buildings due to the legal issues and financial complications involved, the importance to eventually resolve this overdue issue stands strong with the benefits and contribution it can bring to the local economy and real estate market.

News reports have revealed that there are plans underway to convert the Waterfront City Mall that had closed down since 2003 after just 3 years of operation. The redevelopment is likely to convert the mall into a commercial building similar to KL Tower with an estimated GDV of RM1 billion. The Johor Bahru City Council (MBJB) will commence the development and have investors submit a tender to develop it. Redevelopment is currently scheduled to begin in 2024 and will be done in stages.

PURPOSE-BUILT OFFICE

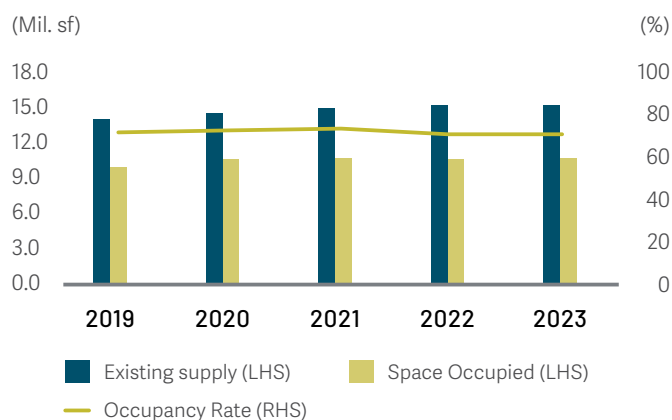
The office market of Johor saw an increase in supply for 1H2023, bringing existing stock to 15.17 million sf at an occupancy rate of 70.0%. This comes after a slight 1.0% fall from 1H2022. At this absorption level, there are 4.55 million sf of office space sitting vacant in the market of which 4.13 million sf are located in Johor Bahru. This comes to no surprise as Johor Bahru holds 80.3% of the state's office space supply but occupancy rate at 66.1%, lower than the state average. In the pipeline, 5 new office buildings were recorded to be under construction with a cumulative supply of 1.95 million sf.

The first tower of Coronation Square is close to reaching completion and is expected to open its doors for business by mid 2024. The 35-storey tower has been sold to Bank Rakyat and will be the city's first financial tower and bank headquarters in 25 years. Bank Rakyat will be occupying 29 levels of the Menara Bank Rakyat.

The 28-storey North Tower of Mid Valley Southkey in Johor Bahru opened its doors to tenants in early 2023, with a total NLA of 326,735 sf. The rental rate for office space ranges from RM4.00 to RM4.30 psf. Level 28 is occupied by co-working space operator INFINITY8 Reserve, taking up 14,000 sf. The second office tower, South Tower, is still under construction and slated for completion by end 2023. The expected rental rate for its office space is slightly higher than North Tower, ranging from RM4.50 to RM5.00 psf.

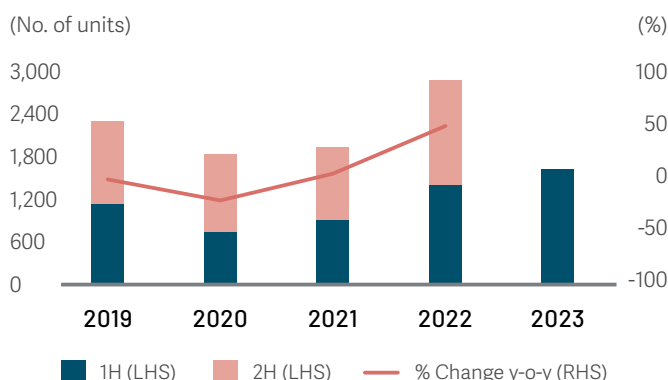
Existing Supply & Occupancy Rate of Purpose Built Office in Johor (2019-1H 2023)

(Source: JPPH)



Volume of Shop Office Property Transactions in Johor (2019-1H 2023)

(Source: JPPH)



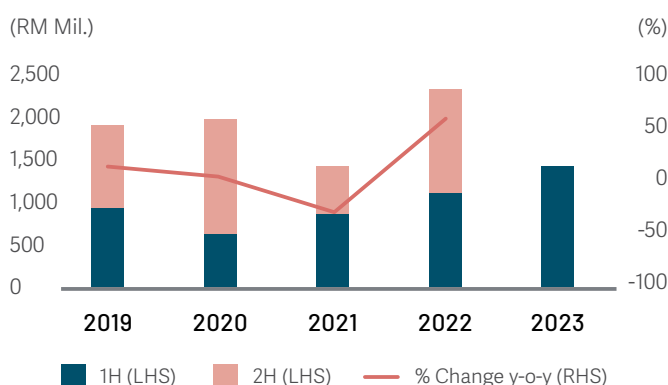
SHOP OFFICE

Johor’s shop office sub-sector continued its consistent rebound pace in 1H2023 by 16.5% in volume and 28.7% in value to 1,637 transactions worth RM1.41 billion. Ranging from pre-war to 6-storey types, 59.6% involved 2-storey shop office units and 26.8% were 3-storey shop office units. Johor Bahru saw the largest number of shop office transactions at 53.0% market share.

For supply, 1H2023 saw existing stock to be at 87,468 shop office units of which 53.7% are 2-storey types, followed by 3-storey shop offices with 21.0% and 1-storey at 14.4%. By mukim, Johor Bahru has the largest stock of shop offices

Value of Shop Office Property Transactions in Johor (2019-1H 2023)

(Source: JPPH)



Selected Newly Completed & Upcoming Shop-offices in Johor

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Senadi Square	Iskandar Puteri	2-sty Shop Office	20	From RM918,000	2023
Taman Pulai Mutiara 2, Phase A9 (DSSO)	Pulai	2-sty Shop Office	142	From RM718,000	2023
Kaze Hill (Kaze Boulevard)	Ulu Tiram	2-sty Shop Office	29	From RM898,000	2023
Summit Commercial Hub @ Tropicana Uplands	Gelang Patah	3-sty Shop Office	64	From RM139,2000	2023
Business Boulevard Central Park	Tampoi	3&4-sty Shop Office	68	From RM1.9 mil	2024
Emerald Crest Austin (Phase 2)	Mount Austin	3-sty Shop Office	59	From RM1.6 mil	2025
Molek Hub	Taman Molek	3 & 4-sty Shop Office	45	From RM1.6 mil	2025



Pulau Rawa

at 37,090 units, equivalent to 42.4% of total stock. Batu Pahat comes in second with 11,455 existing units. Soon to add to this is another 5,035 incoming units currently under construction. 49.1% are 2-storeys whilst 33.5% are 3-storeys.

As at September 2023, SP Setia's Indah Prime shop office in Johor Bahru is still under construction. Comprising 40 exclusive 3-storey and 4-storey shop office units, the built-ups range from 4,907 sf to 10,601 sf. The upcoming commercial project is projected to bring business opportunities for Taman Bukit Indah area.

Sutera Square is another upcoming development by Tanah Sutera Development Sdn Bhd and is developed in two phases, both launched in the past 2 years. The latest second phase comprises 3-storey shop office units. The development as a whole offers 50 exclusive shop office units, with built-up ranging from 5,760 sf to 10,601 sf.

HOTEL

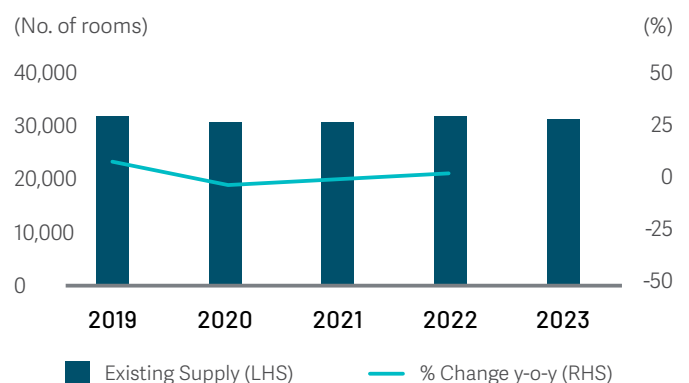
The hotel sector of Johor saw no new injection of room supply for the first half of 2023, and instead a drop of 1.9% was observed, putting existing hotel room supply at 31,184 rooms across 484 hotel establishments of various ratings. 26 hotels are rated 4 and 5-star with another 43 rated 3-star. 13 new hotel establishments are recorded to be in the pipeline, set to bring in a cumulative total room supply of 3,087 new rooms into the sector upon completion.



SKS Group has signed a hotel management agreement with Marriott International to open a 345-room Sheraton Johor Bahru hotel along Jalan Storey in Johor Bahru. Opening expected in 2025, the Sheraton Johor Bahru will be part of an upcoming mixed-use development comprising several commercial developments, including a retail podium and office spaces. This venture marks Marriott International's second property collaboration with SKS Group, following the opening of Four Points by Sheraton Desaru back in 2021.

Existing Supply of Hotels in Johor (2019-1H 2023)

(Source: JPPH)



One of the six towers featured in the Coronation Square development will be developed as a 4-star hotel operated by the Wyndham Group. Standing 32 stories high, it will house 250 to 300 rooms. Mid Valley Southkey has plans underway to have one of its upcoming towers be a 5-star hotel. Further details will be disclosed at a later date. The 4-star St Giles Southkey had its doors open for guests in August 2022, offering 575 rooms with 5 different layouts.

INDUSTRIAL

The industrial sector of Johor shows persistent rebound growth for 1H2023, registering an increase of 29.3% in volume and 4.1% in value to 684 transactions worth RM2.11 billion. Majority of the transactions recorded (66.8%) were transacted at the RM1-million-&-above price bracket. By type, semi-detached factory/warehouse take the lead with 29.5% market share, followed by vacant industrial plots at 24.0% and terraced factory/warehouse at 22.4%. Johor Bahru saw the largest number of transactions at 413 industrial transacted properties, equivalent to 60.4% of Johor’s market share.

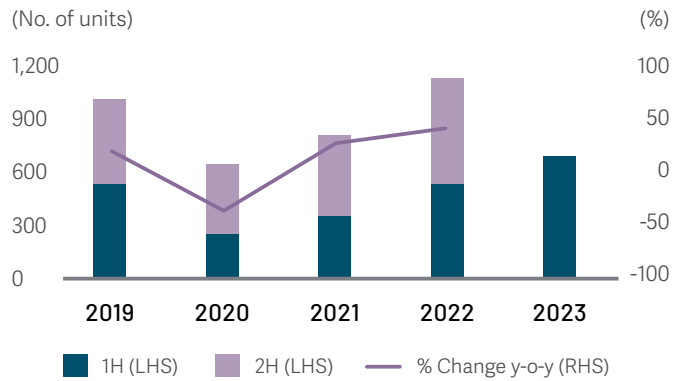
Naturally, Johor Bahru also holds the largest concentration of industrial existing stock by 63.2% or 12,013 units out of the total 19,001 units as at 1H2023. Terraced factory/warehouse made up 43.2% of the stock. In the pipeline, there are 512 incoming industrial units under construction of which 201 units are located in Johor Bahru. Other areas expecting notable new stock include Kulai and Kota Tinggi. Terraced type remains in the lead at 175 new units, followed by semi-detached with 144 units.

T Industrial Park in Pontian has recorded a full take-up of its first three phases spanning across 232 hectares with the substantial RM800 million investment by US-based appliances supplier Alton Industry Ltd Group. As a primary industrial hub, the T Industrial Park will be home to the Alton Intelligent Super Factory with a planned investment of RM2 billion in the coming years. Of the three phases taken up by Alton Industry, Phase 1 spans 89.35 hectares, Phase 2 at 44.27 hectares and Phase 3 at 99.15 hectares.

STT GDC has confirmed their plans to develop a second data center campus in the Nusa Cemerlang Industrial Park (NCIP). The 120MW campus will be built on 22 acres of land with construction commencing in 2024 and completion expected by 2025. Chinese data center

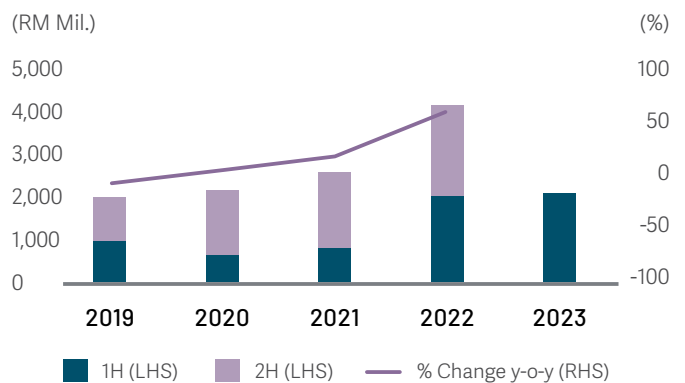
Volume of Industrial Property Transactions in Johor (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Johor (2019-1H 2023)

(Source: JPPH)



operator GDS – in which STT GDC is an investor – is also developing two other sites in Johor. The company had recently launched 3 buildings at the Nusajaya Tech Park (NTP). Phase 1 of the campus offers a total net floor area of 242,200 sf and 69.5MW. The second site is currently being developed in YTL’s upcoming Green Data Center Park. The upcoming data center campus will have a capacity of 168MW across eight data center facilities. The first phase of the development will enter service in 2024.

Eco World Development Group Bhd is in the process of acquiring 403.78 acres of land in Mukim Senai to be developed into a business park known as Eco Business Park VI. The new industrial business park will cater to medium and light industrial businesses. This will mark EcoWorld Malaysia’s fourth industrial park in Iskandar Malaysia.

In its second phase of the Pengerang Integrated Petroleum Complex (PIPC), Johor Petroleum Development Corp Bhd (JPDC) has secured committed investments of more than RM5 billion. Focus will be on opening new industrial areas such as the Pengerang Industrial Park by Johor Corporation, followed by bringing in more players such as LG Chem Ltd from South Korea who already has a joint venture with PETRONAS. As a whole, PIPC is a 25-year development between 2013 and 2037 comprising of four phases. Phase 1 (2013 – 2019) saw two catalytic projects being developed. One is the Pengerang Deepwater Terminals, an oil and petroleum-product storage facility developed by Dialog Group Bhd with a RM14.71 billion investment. The other is the Pengerang Integrated Complex which comprises refinery and petrochemical facilities as supporting facilities developed by PETRONAS with a RM119.8 billion investment.



The Crown Arch, Johor Bahru

NOTABLE ANNOUNCEMENTS

- In August 2023, the government had announced a Special Financial Zone (SFZ) in Forest City will be created to boost investments and economic activities in the state. Several incentives will be provided to attract investors, leveraging on the proximity advantage to Singapore, including a special income tax rate of 15% for skilled workers and multiple entry visas to attract a larger talent pool.
- The Johor state government had proposed a direct route from the Second Link Expressway to Forest City to augment the SFZ initiative and transform the township into Johor's and the region's financial hub.
- Jaya Grocer has launched its largest store at Eco Galleria in Taman Eko Botani, Iskandar Puteri. The supermarket covers an area of 35,000 sf and is the fourth outlet in Johor – the other 3 located in Austin Heights, Sunway Citrine and R&F Mall.
- Sports retailer Decathlon Malaysia marks its first venture outside Klang Valley with the opening of its 11th outlet in Toppen Shopping Centre, Johor Bahru.
- Salcon Bhd, through its indirect unit Nusantara Megajuta Sdn Bhd, entered into a JVA with Exsim Kebun Teh Sdn Bhd to develop serviced apartments and retail units on two parcels of leasehold land in Johor Bahru.
- The upcoming Rapid Transit System (RTS) link will serve as a catalyst for the continued development of Johor Bahru and its surrounding areas. Involving a 4km railway shuttle link with two stations, one in Bukit Chagar, Johor Bahru and the other in Woodlands, Singapore, the RTS line is scheduled for operation in 2026.
- The RM5 billion Coronation Square is scheduled to reach full completion by 2028 as the first project to kick-start the Ibrahim International Business District (IIBD). It features a mall and six towers comprising two serviced apartment blocks, two office blocks, a hotel and medical suites.
- The medical tower of Coronation Square will be developed as a 30-storey KPJ Healthcare tower and projected to be ready by mid 2024.
- The Mall South Court @ Mid Valley Southkey will be seeing an estimated 30,000 sf of its ground floor space occupied by Regency Hospital.
- Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) and Hong Kong's MTR Corporation Ltd (MTR Corp) has signed an MoU to develop a mixed property venture to rejuvenate Bukit Chagar into a Southern economic hub. MRT Corp has been mandated by the government to develop a 2.42-hectare central business district in Johor Bahru.

EAST COAST REGION

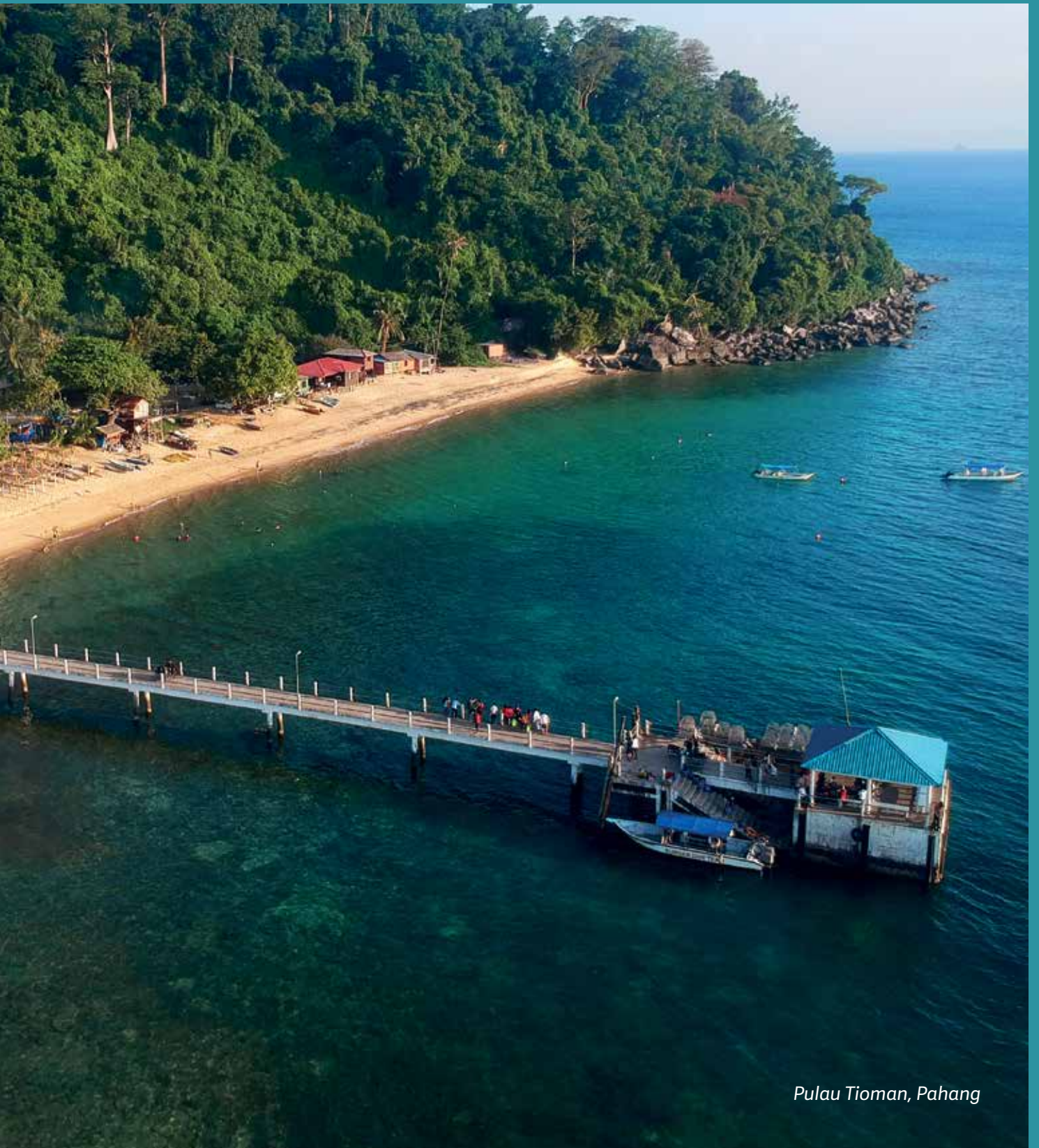


Kelantan

Terengganu

Pahang

T



Pulau Tioman, Pahang



Capital: Kota Bharu

Est. Population: 1,857,600

Area (km²): 15,040

(Source: DOSM)

KELANTAN

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	89,895 units	1.9% y-o-y ▲
Transaction Volume	2,906 units	19.5% y-o-y ▼
Transaction Value	RM494.17 mil.	16.0% y-o-y ▼

RETAIL

Supply	4.34 mil. sf	0.0% y-o-y ■
Occupancy Rate	81.1%	0.6% y-o-y ▲
Rental	RM4.00 psf – RM18.50 psf	

PURPOSE-BUILT OFFICE

Supply	4.21 mil. sf	0.0% y-o-y ■
Occupancy Rate	94.2%	0.5% y-o-y ▲
Rental	RM1.70 psf – RM2.50 psf	

SHOP OFFICE

Supply	13,674 units	0.4% y-o-y ▲
Transaction Volume	111 units	4.7% y-o-y ▲
Transaction Value	RM60.50 mil.	25.0% y-o-y ▲

HOTEL

Existing Supply	4,360 rooms	0.0% y-o-y ■
Incoming Supply	144 rooms	

INDUSTRIAL

Supply	630 units	1.9% y-o-y ▲
Transaction Volume	7 units	61.1% y-o-y ▼
Transaction Value	RM11.80 mil.	64.6% y-o-y ▼

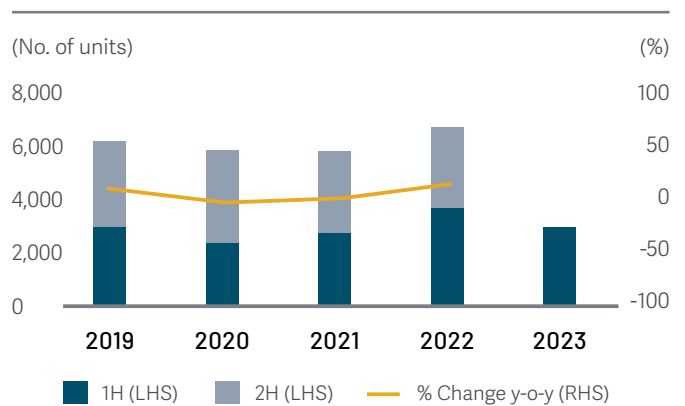
RESIDENTIAL

After having experienced two consecutive rebounds in 2021 and 2022, 1H2023 saw market activities slowed down by 19.5% in volume and 16.0% in value to 2,906 residential transactions worth RM494.17 million. This places 1H2023 to just one transaction higher than 1H2019's market performance, 2,905 residential transactions worth RM395.14 million. While this does not necessarily bode bad news for the market as things are expected to take a moderate turn after the pent-up effect upon full economic resumption, it remains to be seen if demand levels will maintain its pace and potentially push for another growth spurt soon.

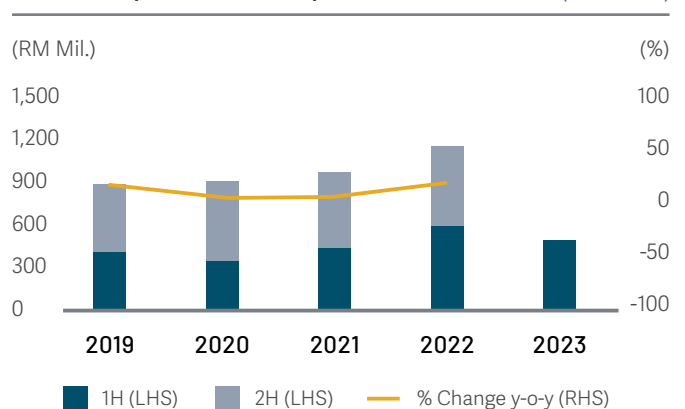
Close to half of the residential transactions were observed to be under RM100,000 and this is likely due to vacant residential plots being the most popular type of property purchased, at 60.5% market share. Another 46.8% of transactions were transacted at price tags between RM100,001 and RM400,000, indicating Kelantan's residential demand to be primarily on the lower half of the price bracket. The top 3 areas in number of transactions are Kota Bharu, Tanah Merah and Pasir Mas.

For the existing supply, 1H2023 saw Kelantan's residential market to be at 89,895 units with 40.0% of its stock residing in Kota Bharu. 1-storey terraced homes take the lead with 32.0% stock share, followed by low-cost houses at 29.8%. Condominium/apartment units accumulate to just 3.3%

Volume of Residential Property Transactions in Kelantan (2019-1H 2023) (Source: JPPH)

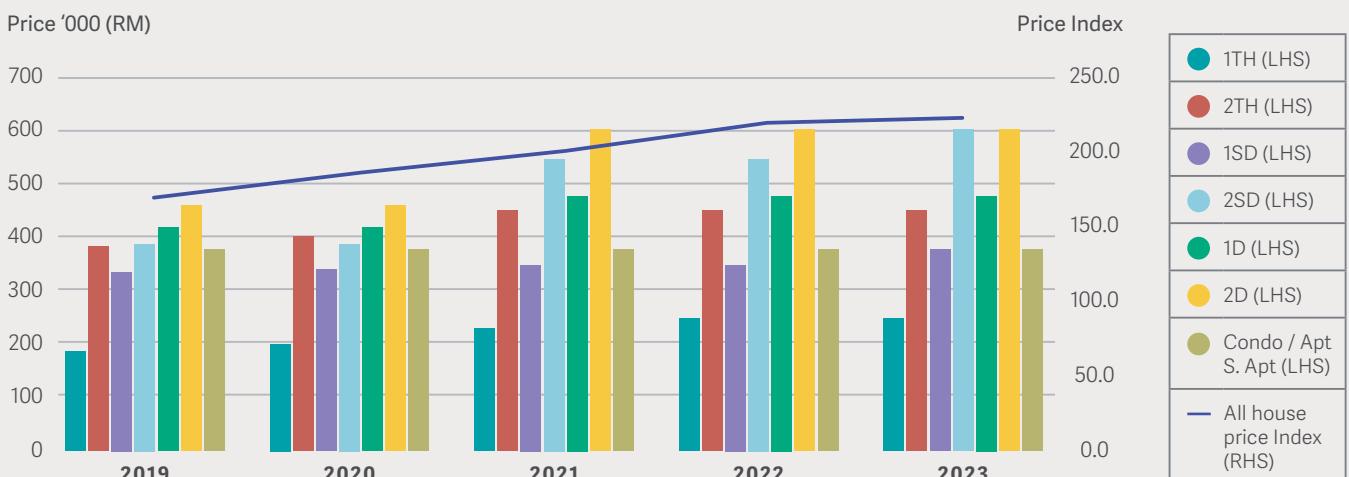


Value of Residential Property Transactions in Kelantan (2019-1H 2023) (Source: JPPH)



Kota Bharu Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Kelantan

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Taman Kemunin Huwainaa	Pengkalan Chepa	2-sty Terraced	13	From RM401,000	2023
Taman Kota Seribong	Kota Seribong	2 & 2.5-sty Terraced	N/A	From RM450,000	2023
PPAM Sireh Residence	Kota Bharu	Apartment	1,500	From RM274,600	2024
Taman Baiduri	Machang	1-sty Terraced	63	From RM240,000	2024
Senja @ Laman Serai	Pasir Mas	1-sty Terraced	312	From RM218,000	2024
19 Residensi	Kota Bharu	Serviced Apartment	182	From RM293,000	2024
Taman Kota Jembal	Kota Bharu	1-sty Detached	34	From RM258,000	2025
Taman Sri Ayu	Kota Bharu	2-sty Terraced	9	From RM390,000	2025
Taman Anggerik Putih (Fasa 2)	Machang	1-sty Terraced	522	From RM239,000	2025
Arika Residence	Kubang Kerian	Apartment	668	From RM240,000	2026
Bandar Baru Setia Hartamas	Pasir Pekan	1-sty & 2-sty Terraced	2,000	From RM259,000	2026
D'Laman Residence	Kubang Kerian	Apartment	423	From RM245,000	2027

of supply, keeping on the smaller scale against landed homes. In the pipeline, there are 11,117 new units under construction with 43.4% located in Kota Bharu. 1-storey homes continue to be the popular type at 3,720 incoming units but coming close behind is the condominium/apartment type at 3,262 units. This indicates high-rise units are gaining traction in supply but there is still some ways for demand to grow as preference remains heavily on landed homes.

Following their successful completion of Troika Kota Bharu in 2020, Malvest Group officially launched their fifth development in the state in January 2023 and achieved 70% take-up rate upon its launch. Named Arika@Kubang Kerian, it is considered to be the first fully furnished serviced residence in the area with a total offering of 668 dwelling units and 26 commercial units. Set to be the tallest building in Kelantan upon its completion, Arika is situated at Jalan Tok Kenali, just less than 1km from Bandar Baru Kubang Kerian, USM Health Campus and Hospital USM. Coffee Bean & Tea Leaf has been confirmed to open an outlet in Arika.

The Local Government Development Ministry (KPKT) has found Kelantan to be one of the states with the highest percentage of private housing projects failing to follow its respective development plan, an estimated 50% of the ongoing housing projects to be categorised as 'sick'. 43 housing projects were identified to face delays and struggle reaching completion. In July 2023, KPKT

allocated RM3.4 million to revive 6 abandoned housing projects in Kelantan. The allocation will be channelled to the state government with rehabilitation works to be carried out by the Kelantan State Economic Development Corp (PKINK). These selected 6 projects will be monitored to ensure completion by end 2024. There will also be more engagement sessions with technical agencies to resolve technical issues affecting the completion of delayed, 'sick' and abandoned private housing projects.

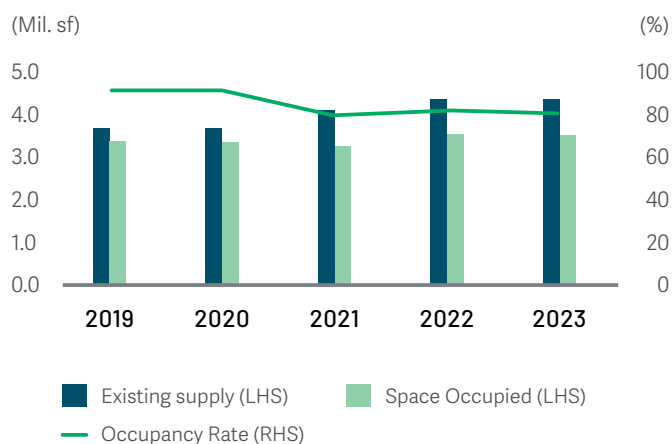
RETAIL

Things are quiet for Kelantan's retail sector as no movements were seen for supply and occupancy rate moved at just a minimal 0.6% increase, bringing 1H2023 retail mall performance to 81.1% occupancy of the total 4.34 million sf. This leaves a cumulative 818,735 sf of vacant retail space in the market, most concentrating in Kota Bharu.

Since occupancy rate fell in 2021 due to the pandemic, demand has yet to recover back up. With no new retail malls recorded in the pipeline, there is room for the market to improve and return back to pre-pandemic occupancy levels. This can be further assisted with the returning tourist traffic and strategic expansion plans taken by selected retail brands looking to widen their network across Malaysia.

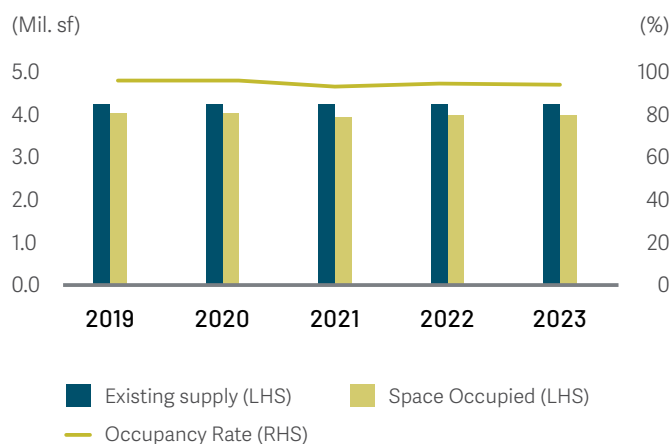
Existing Supply & Occupancy Rate of Retail Spaces in Kelantan (2019-1H 2023)

(Source: JPPH)



Existing Supply & Occupancy Rate of Purpose Built Office in Kelantan (2019-1H 2023)

(Source: JPPH)



PURPOSE-BUILT OFFICE

A similar situation is seen for Kelantan’s office market in terms of supply as no new injection of office space were recorded for 1H2023. At a market size of 4.21 million sf, occupancy rate for Kelantan is at a high 94.2% which leaves just 243,921 sf of office space vacant in the market. This is largely due to more than half of the office buildings in Kelantan being government office buildings and that there has been no new injection of office supply in past years. By locality, only Kota Bharu has a 91.8% occupancy performance as all other areas are observed to be at 100% occupied.

No new upcoming PBO spaces were recorded in 1H2023. Overall, the office market in Kelantan remained stable as businesses have returned to normalcy. Demand for PBO spaces has been mostly unaffected and shows signs of it remaining so in the near future as the office market is predominantly taken up by government bodies and local businesses.

SHOP OFFICE

The shop office sub-sector of Kelantan saw some growth, albeit at a slower pace of 4.7% in volume and 25.0% in value to 111 transactions worth RM60.50 million. But this still puts 1H2023 above pre-pandemic market levels so far. 29.7% of the transactions were recorded in Kota Bharu, followed by Gua Musang at 25.2%. 2-storey shop offices were the top popular choice of trade at 47.7% with 3-storey shop offices coming next at 15.3% market share.

As at 1H2023, there were 13,674 shop office units in Kelantan ranging from pre-war to 6-storey types. The most popular being 2-storey shop offices with 6,745 units followed by 3-storey shop offices with 3,636 units. Kota Bharu holds 44.9% of the stock, followed by Gua Musang with 10.3% stock share.

In the pipeline, there are 1,061 new units under construction. More than half of the new stock are located in Kota Bharu and Kuala Krai; the former bringing in 38.6%

Selected Upcoming Shop-offices in Kelantan

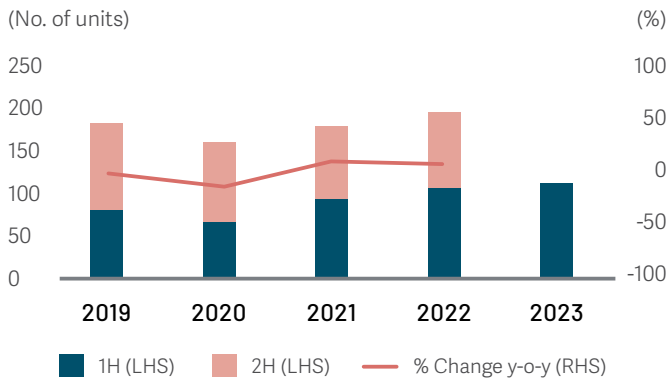
(Source: Rahim & Co Research)

Development	Location	Type	Selling Price
Perdana Oasis	Bandar Kota Bharu	3-sty Shop-Office	RM1.1 mil
Kota Seribong	Kota Bharu	2-sty Shop-Office	RM750,000
Uptown Machang	Machang	2-sty Shop-Office	RM600,000

of incoming stock and the latter with 22.0%. Both 2-storey and 3-storey remain as the popular choice of shop office as both contribute 86.4% of incoming supply combined.

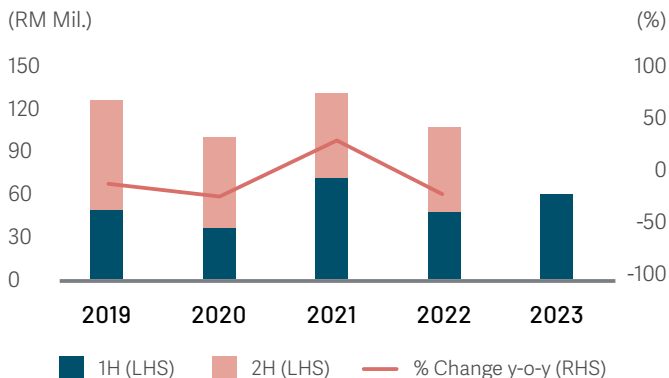
Volume of Shop Office Property Transactions in Kelantan (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Kelantan (2019-1H 2023)

(Source: JPPH)



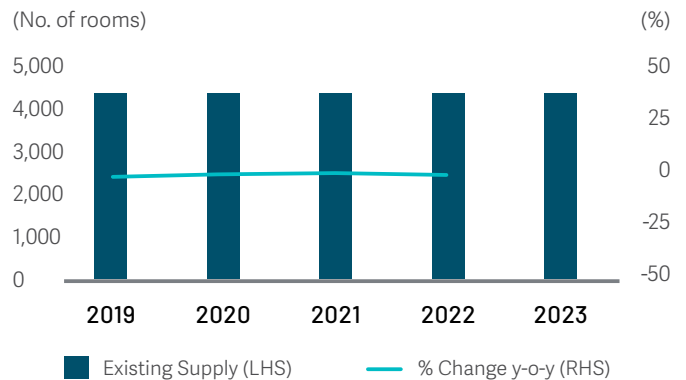
HOTEL

Kelantan's hotel segment saw no change in supply of hotel rooms, maintaining at 4,360 rooms across 91 hotel establishments. Incoming supply also maintained at 144 new rooms in construction, making up 1 new hotel. The hotels are generally on the lower scale in star-rating with just 5 hotels rated 4 and 5-star. Another 9 establishments are rated 3-star. Limited prominent hotel chains are found in Kelantan and most are operated by homegrown hospitality brands.

To promote Visit Kelantan Year 2024, the state government is set to collaborate with almost 50 Kelantan-born influencers on social media. As native Kelantanese, the

Existing Supply of Hotels in Kelantan (2019-1H 2023)

(Source: JPPH)



influencers would be the best 'salesperson' to promote the uniqueness and attractions of Kelantan to both local and international tourists. Additionally, efforts are also being made to resume the operations of Singapore Airlines' low-cost carrier, Scoot, on the Kota Bharu-Singapore route, which had been suspended since the pandemic.

INDUSTRIAL

Following 1H2022's large surge in industrial transaction activities, 1H2023 saw a large dip in both volume and value. Dropping down by 61.1% and 64.6% respectively, the first six months of 2023 only saw 7 industrial transactions worth RM11.80 million. This brings market levels significantly below pre-pandemic levels though the large percentage change is also due to the small scale of Kelantan's industrial market. All 7 transactions were recorded in Kota Bharu and mostly involved terraced factory/warehouse units.

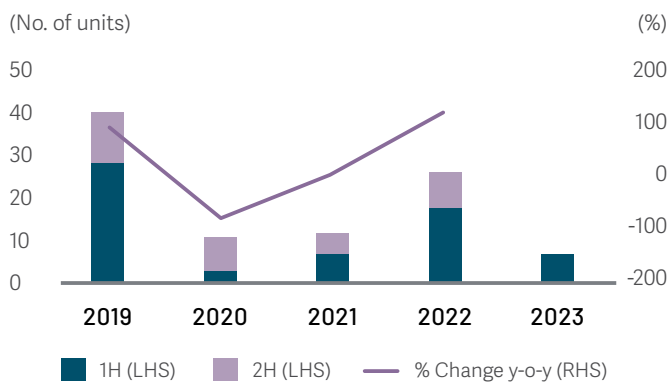
Kelantan also has a limited supply of industrial properties, standing at just 630 units as at 1H2023 following a small growth of 1.9%. Most of the units are concentrated in Kota Bharu though some units are also located in Kuala Krai and Gua Musang, each just short of 100 units. Terraced units contribute the largest supply share at 41.4%, followed by detached units at 25.2%.

Set to be the biggest renewable energy project developed in Malaysia, the 300MW Nenggiri hydroelectric power plant will be developed by TNB Power Generation (TNB Genco), a subsidiary of Tenaga Nasional Berhad. Situated on Sungai Nenggiri river basin in Mukim Ulu Nenggiri in Gua Musang district, the hydroelectric power plant will mitigate flood risks at downstream areas whilst expecting

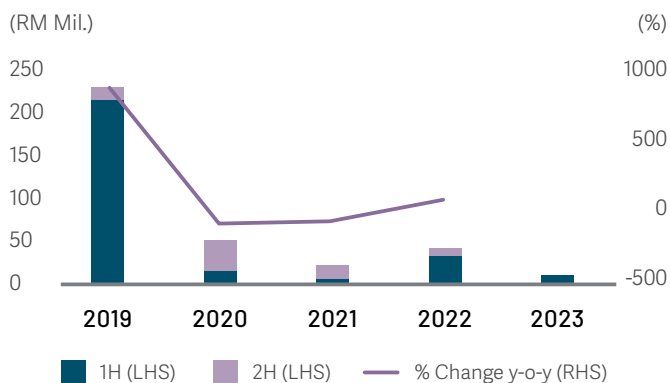
to generate 600GWh of clean energy per annum upon operation commencement in 2027. The power project is aligned with the government’s goal to increase renewable energy capacity to 31% by 2025 and 40% by 2035.

Kelantan will also be the first state to establish an IBS Industrial Park in the country. Spanning across 200 acres in Labok, the IBS Industrial Park will involve 47 industrial lots over 120 acres, 60 commercial lots over 1.09 acres and the Malaysian Polytechnic Research Centre on 4.1 acres. The IBS Square will be built on 2.24 acres, the exhibition complex on 4.1 acres and the Malaysian Construction Industry Development Board (CIDB) Training Center on 74 acres. The entire development will involve an allocation of RM90.3 million. Infrastructure development works are expected to complete by the third quarter of 2024, as scheduled.

Volume of Industrial Property Transactions in Kelantan (2019-1H 2023) (Source: JPPH)



Value of Industrial Property Transactions in Kelantan (2019-1H 2023) (Source: JPPH)



NOTABLE ANNOUNCEMENTS

- The expansion and upgrading exercise of Sultan Ismail Petra Airport (LTSIP) in Pengkalan Chepa is expected to be fully completed in September 2024 as planned. The expansion and upgrading exercise is to improve facilities and increase the capacity of the airport terminal from 1.5 million passengers to 4 million passengers per annum, at a cost of over RM440 million.
- A private hospital will be built on 62 acres of land area within Sungai Bagan Machang Estate. It will also involve the construction of shop units and public housing. The hospital is developed by Kumpulan Sekata Sdn Bhd and scheduled for completion in 2024.
- Phase 1 of Sungai Kelantan Integrated River Basin Development project (PLSB) was completed in the third quarter of 2023. Phase 2 involving an allocation of RM1.06 billion is expected for completion in 2028. With the implementation of both phases, an area of 63,000 hectares of flood area involving 130,700 residents will be protected from flooding risk.
- An allocation of RM1.44 billion across 42 projects have been approved for the rural roads (JALB) programme, including the upgrading of bridges in the state. This was approved under the Third Rolling Plan (RP3) of the 12th Malaysia Plan.
- Despite facing continuous delays, key projects under the East Coast Economic Region Development Council (ECERDC) continues on. Amongst is the construction of the Central Spine Road (CSR). Now known as Lingkar Tengah Utama (LTU) Expressway, it is expected to be completed in 2025.
- May 2023 saw the launch of East Coast Rail Link’s (ECRL) first station development in Kelantan. The Tunjong station is one of 20 stations constructed for the project with operation expected to commence in 2027. The Kelantan segment of the ECRL alignment is expected to reach completion 6 months ahead of its original schedule in January 2027. Progress has reached 62% as at June 2023.

Capital: Kuala Terengganu

Est. Population: 1,209,400

Area (km²): 13,052

(Source: DOSM)

TERENGGANU

Pantai Kekabu, Marang

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	109,091 units	1.6% y-o-y ▲
Transaction Volume	8,261 units	0.3% y-o-y ▼
Transaction Value	RM1.10 mil.	1.3% y-o-y ▼

RETAIL

Supply	2.20 mil. sf	0.0% y-o-y ■
Occupancy Rate	79.4%	0.7% y-o-y ▲
Rental	RM3.50 psf – RM30.00 psf	

PURPOSE-BUILT OFFICE

Supply	4.62 mil. sf	18.0% y-o-y ▲
Occupancy Rate	96.9%	0.6% y-o-y ▲
Rental	RM1.50 psf – RM3.50 psf	

SHOP OFFICE

Supply	8,008 units	1.1% y-o-y ▲
Transaction Volume	139 units	5.4% y-o-y ▼
Transaction Value	RM81.77 mil.	17.4% y-o-y ▼

HOTEL

Existing Supply	11,037 rooms	2.1% y-o-y ▲
Incoming Supply	860 rooms	

INDUSTRIAL

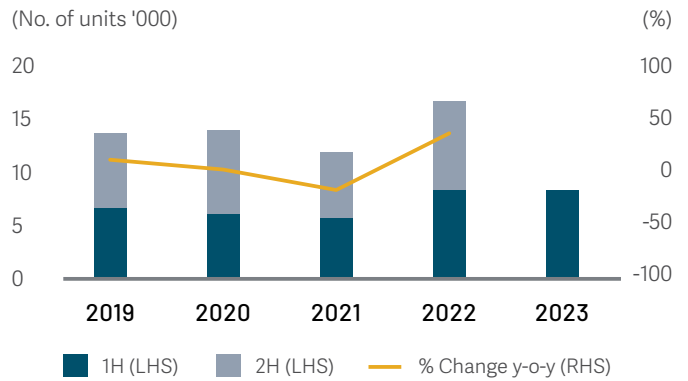
Supply	866 units	0.0% y-o-y ■
Transaction Volume	18 units	5.9% y-o-y ▲
Transaction Value	RM22.30 mil.	36.5% y-o-y ▼

RESIDENTIAL

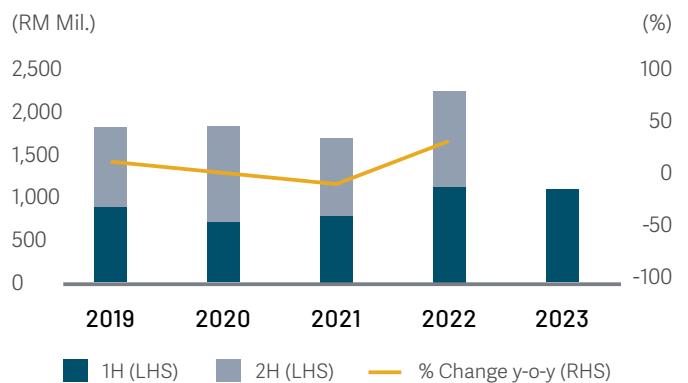
The residential sector of Terengganu saw market performance to be relatively stable for the first 6 months of 2023, recording 8,261 residential transactions worth RM1.10 billion. The sector’s transaction volume dropped at a slight 0.3% and value declined by 1.3%. Transactions were fairly distributed between the areas registering above 10% market share: Kuala Terengganu (12.8%), Marang (16.9%), Besut (13.0%), Kemaman (19.7%), Kuala Nerus (11.1%) and Dungun (12.3%). A large 78.3% of the transactions were priced below RM200,000 and is mostly due to vacant residential plots being the most type of residential property transacted. Coming next at a much smaller market size is 1-storey semi-detached homes at 7.2%.

On the supply side, a 1.6% increase was recorded for 1H2023 year-on-year and sets existing stock to 109,091 units. Detached homes dominated the supply market at 33,361 units or 30.6% of the state’s total residential supply. Terraced homes follow after at 27.4% supply share. The top two areas in number of residential stock are Kuala Terengganu at 34,035 units and Kemaman at 22,049 units. In the pipeline, there are 17,825 new units under construction with most being landed homes. Detached units also rank first in popularity in supply with 29.8% incoming supply share, followed by 1-storey terraced homes at 24.9%. The top 3 areas for these incoming units are Kuala Terengganu (22.6%), Kemaman (19.3%) and Kuala Nerus (18.3%).

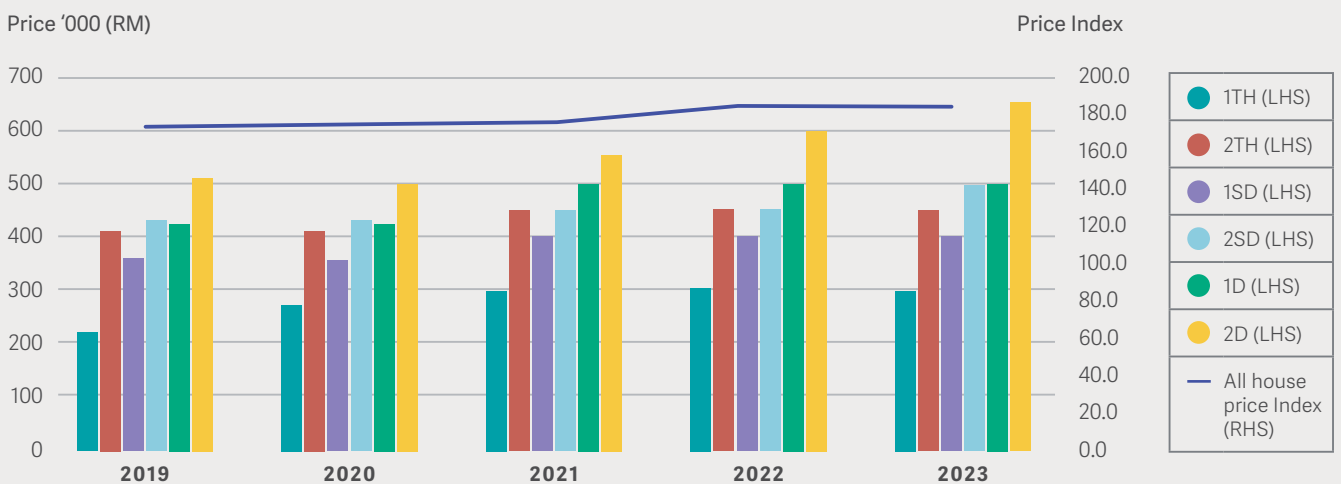
Volume of Residential Property Transactions in Terengganu (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Terengganu (2019-1H 2023) (Source: JPPH)



Kuala Terengganu Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Terengganu

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Taman Serai Impian	Dungun	1-sty Terraced	29	From RM230,000	2023
Taman Alam Perdana	Pasir Semut	1-sty Terraced	98	From RM229,000	2023
Taman D'Jaya	Jerteh	2-sty Terraced	20	From RM299,000	2023
Taman Sabadin	Bandar Permaisuri	1-sty Detached	22	From RM238,000	2023
Taman S'Kepas Putera	Jerteh	1-sty Detached	40	From RM383,000	2023
Taman Rawai Perdana	Marang	1-sty Terraced	141	From RM272,000	2024
Taman Suteras Phase 3	Kg Mak Chili, Cukai	1 Semi D & 1 Detach	56	From RM378,100	2024

The district of Marang is looking to have one of the biggest housing developments in its district to be constructed. Spanning across 19 hectares of land, the 564-unit housing development will be developed by Konsortium Perumahan Rakyat Terengganu Sdn Bhd (Koperat) via a joint venture with the Terengganu State Heritage Trust Fund (LTAWNT) as the land owner. 50% of the units will involve Rumah Mampu Milik (RMM) type A, RMM type B, terraced houses, 1-storey semi-detached houses and 2-storey shoplots. The state government is geared to target the construction of a total 20,000 housing units for Kelantan.

For the state of Terengganu, the Ministry of Local Government Development (KPKT) has identified 24 'sick' housing projects that are currently facing delays and an additional 12 housing projects to be abandoned. Of the 12 abandoned, 5 projects were identified to be salvageable. This will be done with the provision of RM3.4 million with completion targeted by 2024.

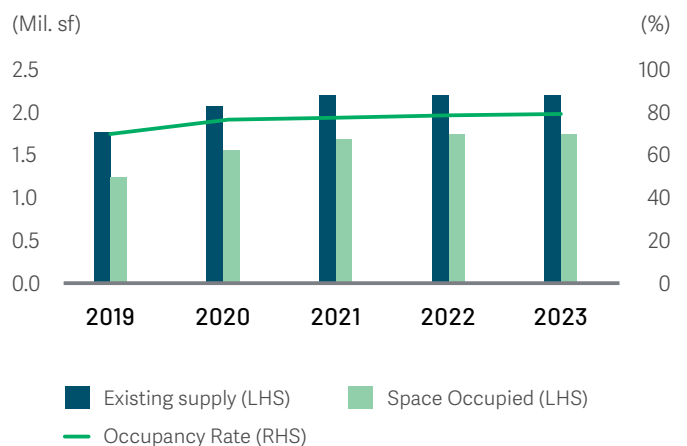
RETAIL

The retail sector of Terengganu remains relatively unchanged as existing supply saw no movement, keeping at 2.20 million sf as at 1H2023 with occupancy rate slightly improving by 0.7% to 79.4%. This leaves 453,247 sf of vacant retail space in the market with 62.8% of it coming from Kuala Terengganu. Of the 40 retail establishments in Terengganu, 17 are located in Kuala Terengganu and 8 in Kemaman.

3 new retail establishments were recorded to be in the pipeline; 2 in Kuala Terengganu and 1 in Besut. A sizable 1.28 million sf of new retail space is expected to hit the market upon its completion and may bring the risk of

Existing Supply & Occupancy Rate of Retail Spaces in Terengganu (2019-1H 2023)

(Source: JPPH)



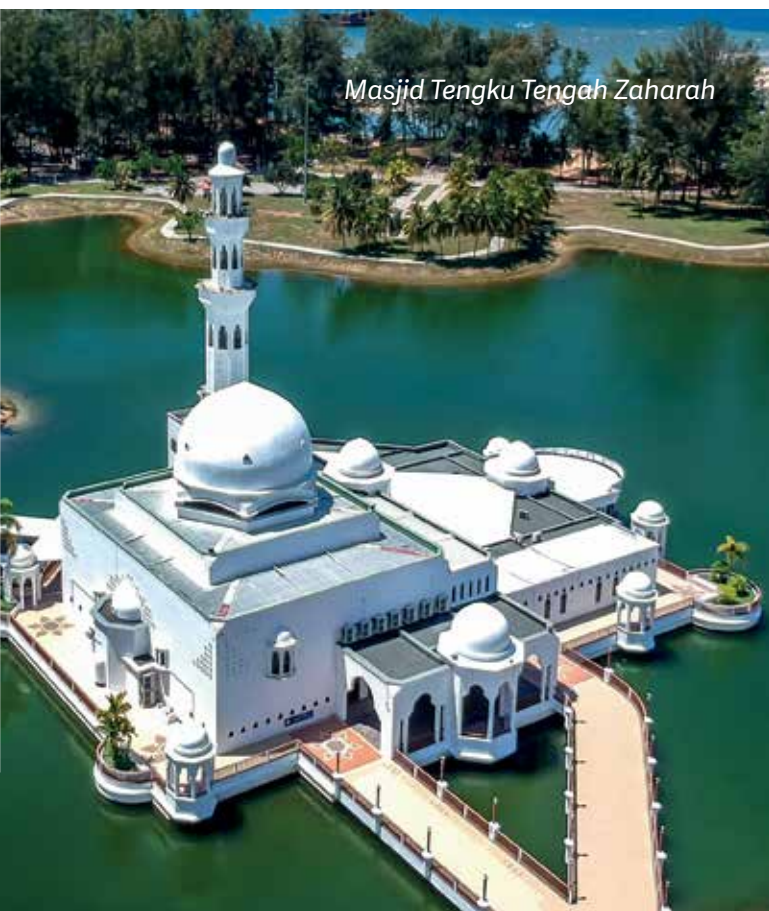
downward pressure on current occupancy rate though demand did show improvement despite the increase in supply back in 2020. The pandemic also did not have much adverse effect on the retail scene as occupancy rates maintained at about 80% in the past 2 years.

Pasar Payang has been reopened for operation after being temporarily closed for redevelopment at a cost of RM69.3 million. Fully funded by the federal government, the redevelopment exercise is expected to provide comfort to both traders and visitors, further enhancing Terengganu's tourism sector. The newly built complex houses a total of 414 traders who were temporarily relocated to the Pasar Payang 2 building.

PURPOSE-BUILT OFFICE

An 18.0% year-on-year growth was recorded for 1H2023, though the new injection of space occurring in the 2H2023. This places Terengganu’s PBO current supply at 4.62 million sf with an average occupancy rate of 96.9%. With demand having maintained, vacant office space is kept at a low 145,173 sf though this is largely owed to the fact that more than half of the PBO buildings are government-owned, ensuring a more stable occupancy performance. This is further complemented with private spaces being occupied mostly by local businesses. Only one new office building is recorded in the pipeline. Located in Kuala Terengganu, it brings in a moderate 104,453 sf of new office space to market upon completion.

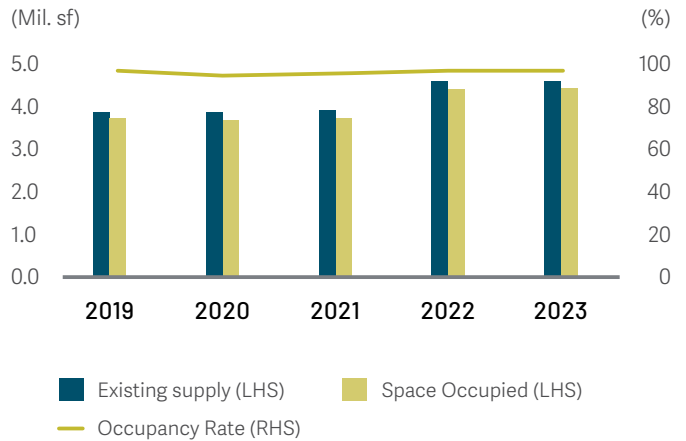
November 2022 saw the completion of Menara MBKT and is set to be the new landmark of the city. Standing 30-storeys tall, the new building is the tallest building for the state of Terengganu. Administrative operations at the new building commenced in phases following the relocation stages. The total construction cost of the new complex came to RM198.8 million, following an increase of RM49.6 million due to the 6-year delay on account of design changes, internal layout plans and the implementation of the Movement Control Order (MCO) during the pandemic period.



Masjid Tengku Tengah Zaharah

Existing Supply & Occupancy Rate of Purpose Built Office in Terengganu (2019-1H 2023)

(Source: JPPH)



SHOP OFFICE

Following 2022’s notable rebound in market activities for the shop office sub-sector, Terengganu is looking at a moderate pace for 1H2023, as transactions went down slightly by 5.4% in volume and a larger 17.4% in value to 139 transactions worth RM81.77 million. Despite so, 1H2023 remains above 1H2019’s pre-pandemic performance of 125 transactions worth RM98.37 million.

Ranging from pre-war to 6-storey units, 33.8% of the transactions were recorded in Kemaman, followed by Besut at 19.4%. Kuala Terengganu comes in third at 14.4%. 2-storey shop offices were the most popular choice with 61.9% market share.

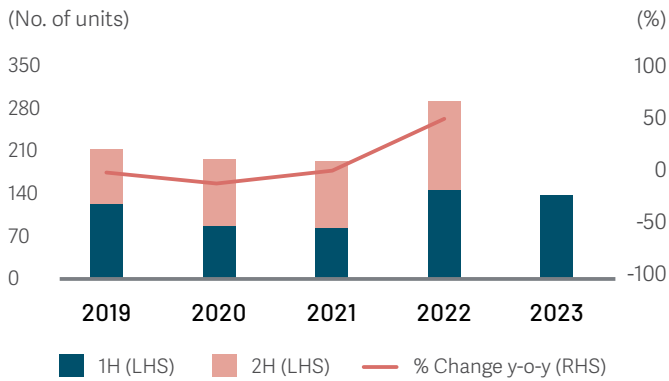
Existing supply of shop offices from pre-war to 6-storey stood at 8,008 units as at 1H2023. 28.7% of it are located in Kuala Terengganu and 25.3% are in Kemaman. 2-storey shop offices make up half of the stock, and another 27% are 3-storey shop offices.

In the pipeline, 787 new shop office units are under construction with 53.6% of the incoming supply being 2-storey shop offices. The top 3 areas expecting these new units are Hulu Terengganu (26.8%), Kemaman (18.2%) and Dungun (13.5%).

Anjur Kekal Sdn Bhd saw the completion of their new 2-storey shop offices in Taman D’Mawardah 2 in Kijal. Comprising of 29 units, prices start from RM528,000. Lembaga Pemegang - Pemegang Amanah Yayasan Islam Terengganu is the landowner of the site.

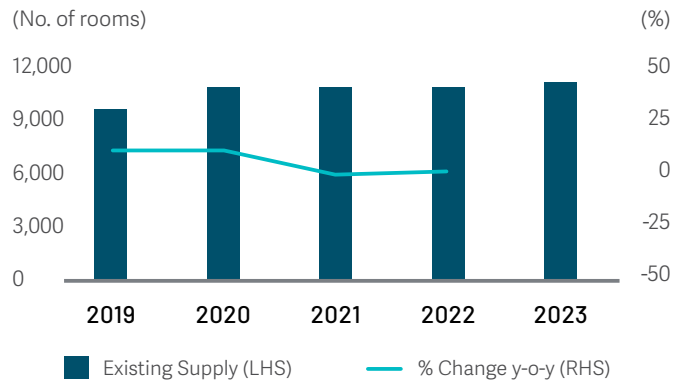
Volume of Shop Office Property Transactions in Terengganu (2019-1H 2023)

(Source: JPPH)



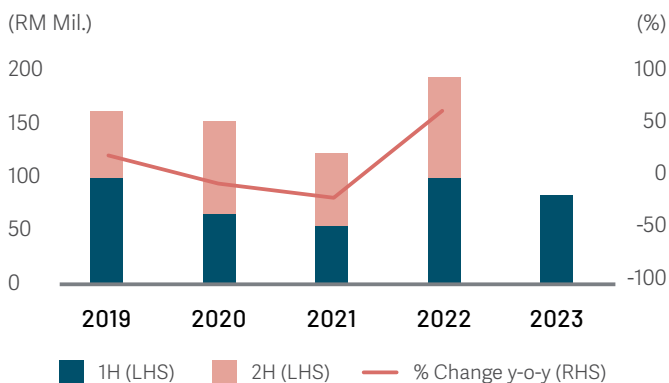
Existing Supply of Hotels in Terengganu (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Terengganu (2019-1H 2023)

(Source: JPPH)



After being abandoned for more than 10 years, the famous Strawberry Park Resort in Kijal, Kemaman will be redeveloped as an initiative by the state government. With an estimated value of RM150 million, the abandoned resort will be redeveloped into a 5-star hotel. The project will be developed by iKHASAS Land Sdn Bhd and hotel operated by Courtyard by Marriott. Not only will the new establishment contribute to improving the tourism sector of Terengganu, but also potentially offer more than 150 job opportunities for the local area and acting as a catalyst for local businesses and suppliers.

August 2023 saw the opening of Tanjong Jara Resort's newest addition to its collection of luxury villas, the House of Terengganu. Keeping to the 17th-century style of the larger resort, the secluded one-bedroom villa hideaway highlights traditional Malaysian craftsmanship and is surrounded by tropical landscaped gardens. Rates for the House of Terengganu starts at RM4,500 per night, sleeping up to two guests.

HOTEL

The hotel sector of Terengganu remained relatively quiet as supply grew by a small 2.1% to 11,037 rooms though no new major entrants were seen for the first half of 2023. This existing stock makes up 246 hotel establishments of which 11 are rated 4 and 5-star and 23 hotels rated 3-star. Some of the notable branded hotels and resorts in the state include Resort World Kijal and Tanjong Jara Resort in Dungun, the Taaras Beach & Spa Resort in Pulau Redang, BuBu Long Beach Resort and Alunan Resort in Pulau Perhentian. In the pipeline, 6 new hotels are recorded to be under construction with a cumulative total of 860 new hotel rooms to be injected into the market upon completion.

INDUSTRIAL

The industrial sector of Terengganu saw market activities improving slightly by 5.9% in volume but a drop of 36.5% in value to 18 transactions worth RM22.30 million for the first 6 months of 2023. Of the three states in the East Coast region, Terengganu has the smallest industrial market size recording annual transaction activities of below 30 units since 2019. Of the 18 industrial transactions, 5 were

recorded in Kuala Terengganu and another 5 transactions in Kemaman. 8 of the transactions were transacted above RM1 million and another 7 below RM300,000.

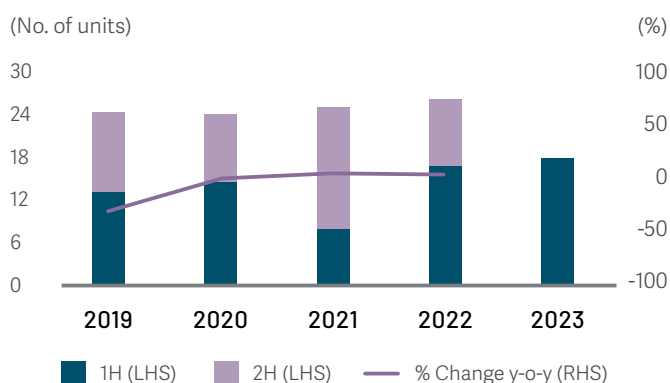
On the supply side, Terengganu has 866 existing industrial properties ranging from terraced units to clusters. 38.3% of the stock are found in Kemaman while another 24.9% are in Kuala Terengganu. Terraced industrial properties take the lead in supply portion at 390 units, followed by semi-detached with 270 units. In the pipeline, 83 new industrial units are under construction with most located in Kemaman and Kuala Nerus – both holding 89.2% incoming supply share combined.

The state government has stated their intention to focus on developing industries other than petroleum industry alone to reduce the state’s dependence on

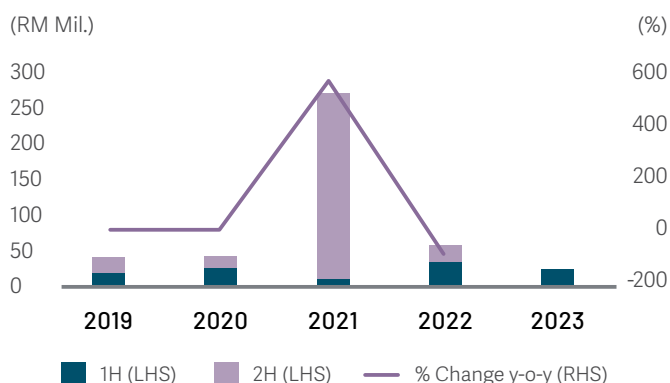
annual oil royalty payments. There are plans to develop new industrial areas in Besut and Setiu, areas that have previously received less attention and development. This is done with consideration to the upcoming East Coast Rail Link (ECRL) project that is expected to open new opportunities for the state via its multi-state railway link.

A total investment of RM2.5 billion by Chinese investor, Xinda Development Sdn Bhd in Bandar New Cheneh Industrial Area is expected to create an estimated 3,700 job opportunities in Terengganu. Xinda Development Sdn Bhd, a company under the subsidiary of the conglomerate China-based New Zhong Yuan Group, will develop the area into a quartz stone-based industry. Phase 1 of the development will cover an area of 21.3 hectares with the construction of a quartz stone product factory with a total investment of RM600 million.

Volume of Industrial Property Transactions in Terengganu (2019-1H 2023) (Source: JPPH)



Value of Industrial Property Transactions in Terengganu (2019-1H 2023) (Source: JPPH)



NOTABLE ANNOUNCEMENTS

- Plans are in the making to expand the Kemaman Port to increase the operation capacity. The expanded port will be operated by the state government’s investment subsidiary, Eastern Pacific Industrial Corporation Berhad (EPIC). The expansion project has 3 phases involving several development proposals including extending the port by 650m and building a breakwater off Kemaman beach.
- The state government will look to implement Transit Oriented Development (TOD) concept in the areas of 6 ECRL stations located in Terengganu. This is in line with the state government’s vision to making the areas a catalyst for economic growth and new industries.
- Preliminary works has commenced for the upcoming MRSM Dungun. Developed by Gagasan Nadi Cergas, completion is expected to be in 2024.

Capital: Kuantan

Est. Population: 1,642,700

Area (km²): 35,965

(Source: DOSM)

PAHANG

KEY FACTS (AS AT 1H 2023)

● RESIDENTIAL

Supply	301,217 units	1.5% y-o-y ▲
Transaction Volume	5,361 units	18.1% y-o-y ▼
Transaction Value	RM1.27 bil.	18.6% y-o-y ▼

● RETAIL

Supply	4.94 mil. sf	2.4% y-o-y ▲
Occupancy Rate	71.9%	0.3% y-o-y ▲
Rental	RM4.80 psf – RM43.00 psf	

● PURPOSE-BUILT OFFICE

Supply	4.54 mil. sf	0.0% y-o-y ■
Occupancy Rate	88.1%	0.1% y-o-y ▲
Rental	RM1.50 psf – RM3.80 psf	

● SHOP OFFICE

Supply	24,813 units	0.5% y-o-y ▲
Transaction Volume	378 units	14.5% y-o-y ▲
Transaction Value	RM245.53 mil.	7.2% y-o-y ▲

● HOTEL

Existing Supply	25,601 rooms	0.0% y-o-y ■
Incoming Supply	30 rooms	

● INDUSTRIAL

Supply	3,680 units	1.2% y-o-y ▲
Transaction Volume	63 units	27.6% y-o-y ▼
Transaction Value	RM273.39 mil.	243.4% y-o-y ▲

RESIDENTIAL

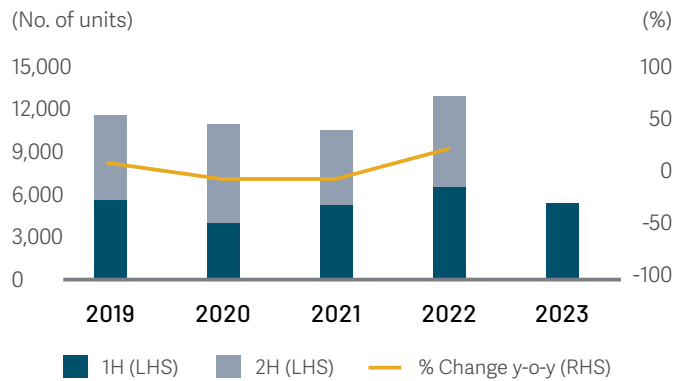
The residential market of Pahang saw a decline in market activities following 2 consecutive increases in 2021 and 2022 for the first 6 months. 1H2023 registered a drop of 18.1% in volume and 18.6% in value to 5,361 residential transactions worth RM1.27 billion. This drop brought 1H2023 to below 1H2019's performance of 5,563 transactions worth RM1.29 billion.

By price bracket, 75.0% were transacted below RM300,000 which indicates a market much in favour of affordable priced homes. By type, landed homes dominated the market with terraced units taking the lead with a 40.9% market share. Condominium/apartment units are at the smaller end of 5.1%. As the capital of Pahang, Kuantan saw the highest number of residential transactions within its district, taking up 41.7% market share. Temerloh and Bentong each performed at 12.6% and 12.8% respectively.

On supply, Pahang has a total of 301,217 residential units as at 1H2023 following a slight increase of 1.5% year-on-year. Terraced homes rank top in volume with 41.4% supply share, followed by low-cost houses at 20.4%. Condominium/apartment stand at 12,021 units, equating to 4.0% of total residential supply. In the pipeline, there are 15,439 new units under construction of which 67.5% are terraced units. Kuantan will be expecting the largest injection of 7,571 new units upon its completion. Maran comes in second at a much lower 1,384 incoming units.

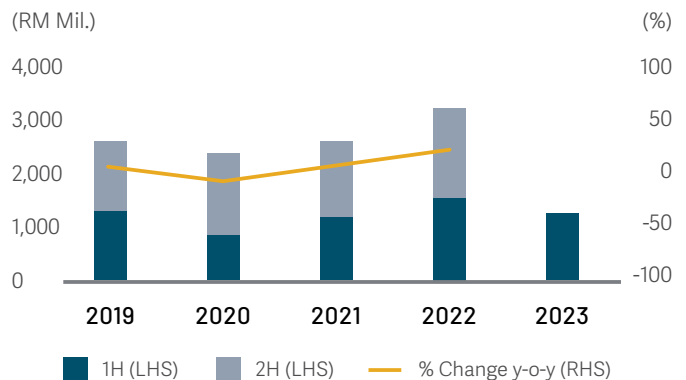
Volume of Residential Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



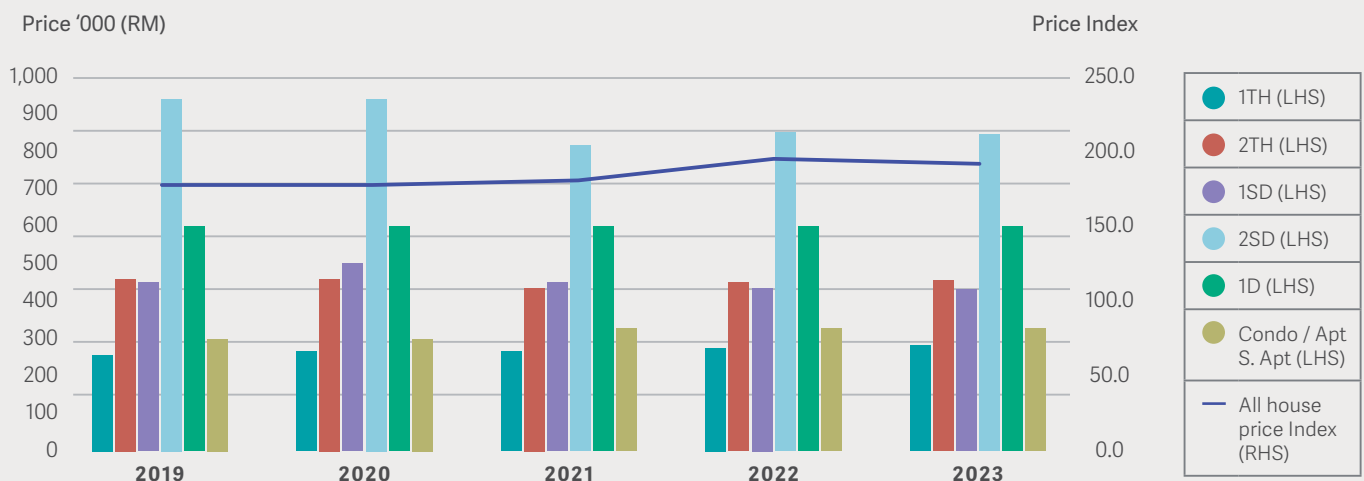
Value of Residential Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



Kuantan Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Pahang

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Pelindung Heights	Kuantan	2-sty Semi-Detached	38	From RM839,790	2023
Impiana Bentong Residence	Bentong	2-sty Terraced	61	From RM549,540	2023
Lestarry Heights	Temerloh	2-sty Terraced	24	From RM518,000	2023
Taman MH Kempadang Residences	Kuantan	1-sty Semi-Detached	12	From RM387,000	2023
Balok Baru (Ph 3)	Balok	1-sty Terraced	153	From RM245,000	2023
Taman Pandan Perdana	Kuantan	1-sty Terraced	16	From RM263,000	2023
Seri Permai II	Jalan Gambang	1-sty Terraced	18	From RM329,000	2023
Central Residence	KotaSAS	1½-sty Terraced	84	From RM508,888	2023
Serene Residence	KotaSAS	2-sty Terraced	85	From RM582,222	2023
Majestic Homes	KotaSAS	1½-sty Semi-Detached	108	From RM800,000	2023
Seri Bayu II	Balok	1-sty Semi-Detached	16	From RM341,000	2023
Bukit Rangin Perdana	Kuantan	2-sty Semi-Detached	20	From RM261,000	2024
Taman Tualang Permai	Temerloh	1-sty Terraced	18	From RM188,000	2024
Taman Makmur Height	Bentong	2-sty Terraced	64	From RM398,905	2024
The Pine	Balok	1-sty Terraced	30	From RM235,000	2024
Taman Pulau Mutiara	Temerloh	1-sty detached/Semi-detached/Terraced & 2-sty terraced	30	From RM219,000	2025
Casa Mutiara Pandan 2	Kuantan By Pass	1-sty Terraced	26	From RM243,000	2025
Laman Desa Sg Soi	Sg Soi	1-sty Terraced	30	From RM250,000	2025

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Grand Icon Majestic	Genting Highlands	Serviced Apartment	1,885	From RM512,000	2023
Impiana Residences Cherating	Cherating	Serviced Apartment	257	From RM475,000	2023
Geo Antharas	Genting Highlands	Serviced Apartment	476	From RM520,000	2024
Antara Genting Highlands	Genting Highlands	Serviced Apartment	1,460	From RM930,000	2025
J City Merdeka Residensi	Kuantan	Serviced Apartment	361	N/A	2025
Tropicana Grandhill	Genting Highlands	Serviced Apartment	1,443	From RM397,000	2026

Considering there is prominent presence of serviced apartments in Pahang, it is worth to note the serviced apartment sub-market despite being commercially-titled as the units are used for dwelling purposes. Primarily concentrated in Bentong, Cameron Highlands and Kuantan, 1H2023 saw serviced apartment existing supply to be at 6,398 units of which 57.1% are located in Kuantan. The other 23.8% in Bentong and 18.4% in Cameron Highlands. These 3 areas are also popular holiday destinations, making the available serviced apartment units an investment option for homestays or short-term rentals. 1H2023 saw 84 units of serviced apartment transacted and mainly in Bentong and Kuantan. Serviced apartment transactions were mainly positioned between RM300,000 to RM800,000 based on the unit size and furnishings.

New developments are underway to establishing their own footprint in Genting Highlands. One major developer working its way to developing their grand 596-acre masterplan is Tropicana Corp Bhd. Tropicana WindCity comprises of 112-acre Tropicana Grandhill, 308-acre Tropicana Paradise and 176-acre Tropicana Avalon. Being the first phase, Tropicana Grandhill saw the launch of TwinPines Serviced Suites comprising 1,443 residential units across two towers with built-ups from 379 sf to 1,330 sf. Complementary commercial catalysts and other offerings for the residence will be announced in the future. The next phase is Tropicana Paradise, an integrated development with plentiful land acreage allocated to landed developments. As the name suggest, Tropicana

"NEW DEVELOPMENTS ARE UNDERWAY TO ESTABLISHING THEIR OWN FOOTPRINT IN GENTING HIGHLANDS. ONE MAJOR DEVELOPER WORKING ITS WAY TO DEVELOPING THEIR GRAND 596-ACRE MASTERPLAN IS TROPICANA CORP BHD... AND ANOTHER IS KING'S PARK DEVELOPMENT SDN BHD."

Paradise is a hillside township that offers villa lots in seven distinct styles. Thus far, Phase 1 of Tropicana Paradise spanning across 20 acres features 83 villa lots with sizes up to 12,000 sf with prices starting from RM1.2 million. As the third phase of the masterplan, Tropicana Avalon is positioned as the commercial heart of the entire township with a mixture of commercial and residential components. Genting Xintiandi is another notable development making its debut in the Genting Highland landscape. Spanning across 60 acres, it is a mixed-commercial hub with serviced apartments, hotels, bus terminals and commercial spaces jointly developed by Genting Malaysia Bhd (GENM) and Aset Kayamas. Phase 1 will feature 4 towers of fully furnished serviced apartments involving 2,600 units. The entire development progress is divided into 8 phases and estimated to take up to 15 years to complete.

Furthermore, King's Park Development Sdn Bhd (formerly known as Highlands Park City Sdn Bhd) has officially launched its latest integrated mixed-use development, King's Park in Genting Highlands. With a GDV of RM10 billion, the development comprises residential, commercial and entertainment components. Situated next to Awana Genting Highlands Golf & Country Resort, the 150-acre development is a partnership venture between the developer, Yuk Tung Group and the Association for Promotion of Higher Education in Malaysia (Aphem) as the land owner of the land parcel. To be developed in 5 phases, the residential components will be introduced in Phase 2, 3 and 4 with serviced apartments, semi-detached villas and bungalows. Completion is projected to be in 10 years.



Muzium Sultan Abu Bakar, Pekan

In Kuantan, Pasdec Holdings Bhd has teamed up with Sedimi Property Development Sdn Bhd to develop 238 pieces of vacant leasehold plots with total land area of approximately 646,000 sf. The development will involve 157 units of 1-storey terraced homes under the first phase, and another 80 units of 1-storey semi-detached homes under the second phase.

The task force established by the Ministry of Local Government Development has identified 93 housing projects to be problematic in Pahang. Of that number, 77 were categorised as 'sick', 9 experiencing delay and 7 being abandoned entirely. Through the government's intervention, a total of 51 projects had been successfully revived between January to September 2023 with 43 obtaining CCC and the remaining resuming construction.

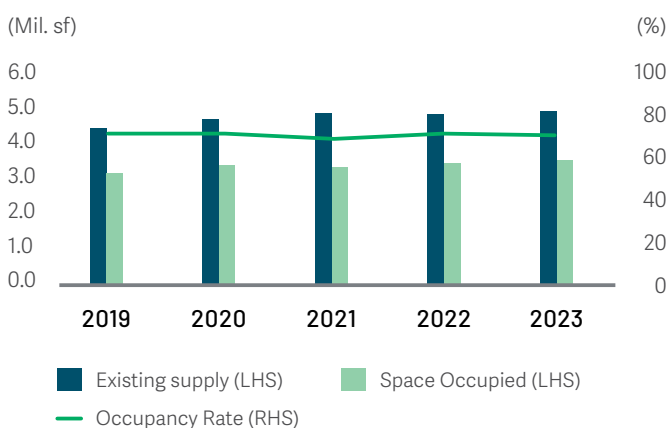
RETAIL

Pahang's cumulative supply of retail space stood at 4.94 million sf as at 1H2023. This comes after an increase of 2.4% in supply and occupancy rate marginally improving by 0.3% to 71.9%. This leaves a total of 1.39 million sf of vacant retail space in the market. Kuantan contributes the highest vacant space at 54.5%.

Of the 44 retail establishments in Pahang, 19 are located in Kuantan and another 6 in Bentong. There are no new retail malls recorded to be under construction following the opening of a stand-alone hyperstore in 2023. This gives some relief to the market and room to achieving a higher average occupancy rate without significant downward pressure on demand.

Existing Supply & Occupancy Rate of Retail Spaces in Pahang (2019-1H 2023)

(Source: JPPH)



June 2023 saw the opening of Pahang's first ever Lotus' Stores that boast the new store format of including a comprehensive fresh produce, grocery and bakery section, lifestyle, household and electrical selection, apparel and more. Offering its own gastronomic experience is a food court offering 6 choices of food stalls. With a mall space of an estimated 107,640 sf, the single level standalone store is strategically situated along Jalan Sungai Lembing, the main road connecting Bandar Indera Mahkota to Kuantan City.

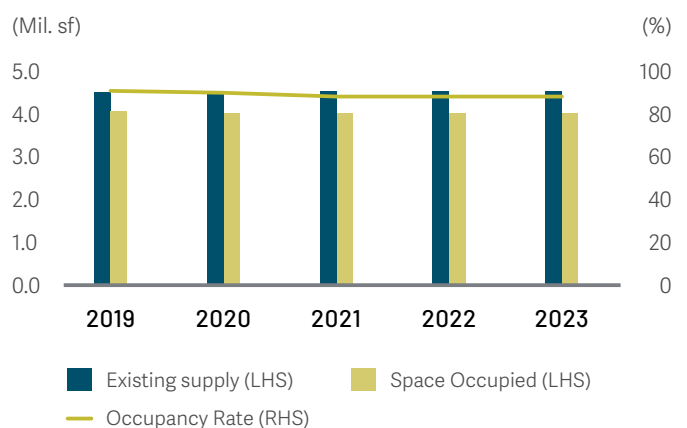
PURPOSE-BUILT OFFICE

Pahang's PBO segment continues to maintain relatively healthy occupancy rate as supply saw no new injection of office space, allowing market to maintain its current pace. At an occupancy rate of 88.1% of the 4.54 million sf, the office market is looking at 539,519 sf of vacant space. Of the 154 office buildings recorded, 40.3% are concentrated in Kuantan, amounting to 3.14 million sf as at 1H2023. Occupancy rates are on the high side with most achieving above 90% occupancy rate. This excludes Kuantan, Pekan and Temerloh, all three at an average of 90.1%.

In the pipeline, only one new PBO building is recorded to be under construction and is located in Kuantan. On the whole, Pahang's office market is likely to remain stable unless new supply is introduced into the private side of the office market, as government-owned buildings generally remain close to fully occupied.

Existing Supply & Occupancy Rate of Purpose Built Office in Pahang (2019-1H 2023)

(Source: JPPH)



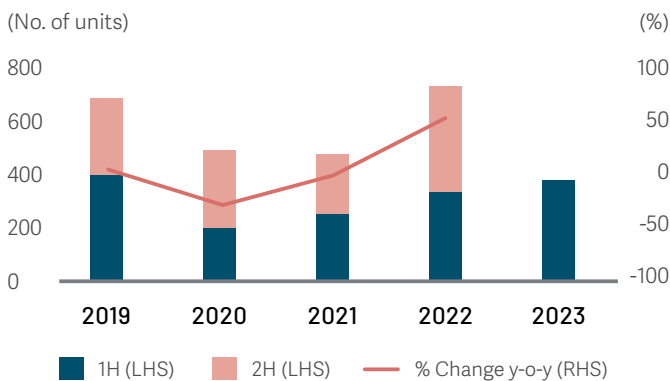
SHOP OFFICE

The shop office sub-sector of Pahang experienced another upward growth of 14.5% in volume and 7.2% in value to 378 units worth RM245.53 million sf. Yet this still positions 1H2023 performance to be below 1H2019 at 396 transactions worth RM283.76 million. Ranging between pre-war to 6-storey type, 55.0% of the transactions involved 2-storey units followed by 3-storey units at 28.6%. Kuantan saw the highest number of transactions at 128 units, with Temerloh coming in next at 73 units.

Looking to the supply side, Pahang has a total of 24,813 shop office units. The top 2 areas with high concentration supply are Kuantan at 39.9% and Temerloh at 17.2%. Just above half of the supply are 2-storey shop offices, followed by 3-storey shop offices at just below a third of the stock.

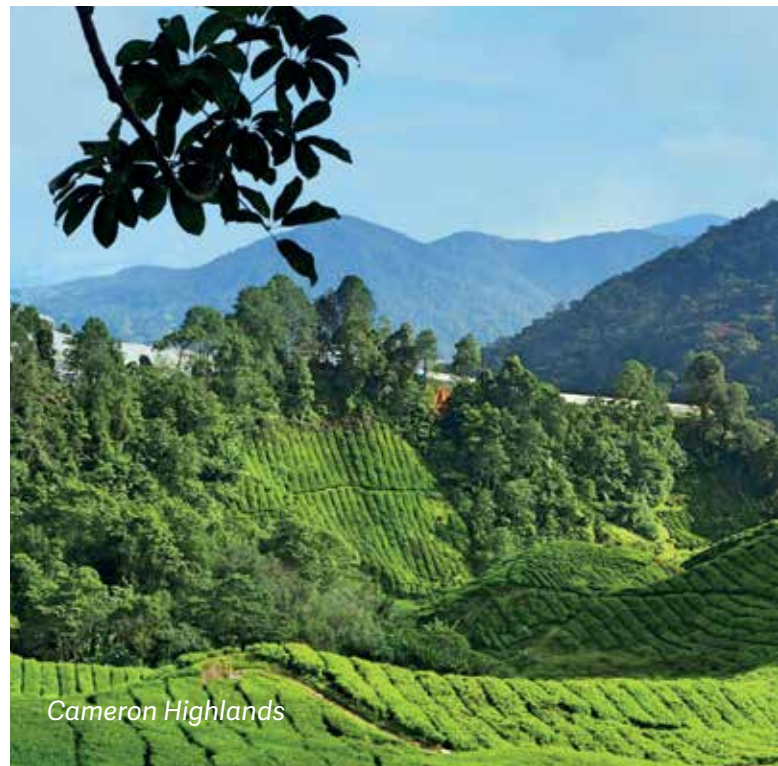
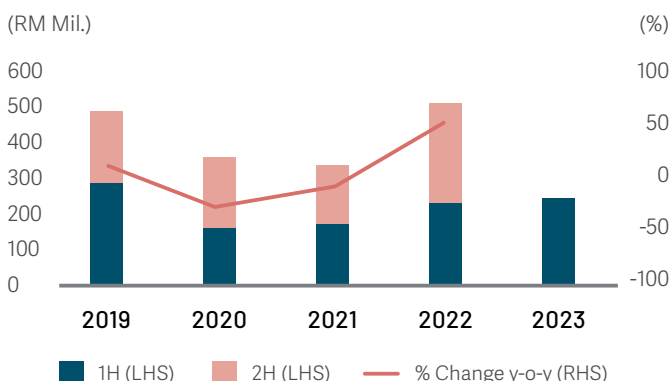
Volume of Shop Office Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



Cameron Highlands

In the pipeline, there are 1,189 new shop office units under construction. The top 3 areas welcoming this future injection are Kuantan (270 units), Temerloh (202 units) and Raub (192 units). 2-storey shop offices remain as the top choice in supply with 50.2% incoming supply share.

Developed by King's Park Development Sdn Bhd (formerly known as Highlands Park City Sdn Bhd), King's Park in Genting Highlands was officially launched in July 2023. Positioned as an integrated mixed-use development, King's Park will be developed in five phases starting from the 21-acre Phase 1 comprising 360 retail units spread across 12 integrated commercial lots. 70% take-up rate was achieved prior to its official launch. The retail units are priced between RM2.5 million to RM3.2 million with an average size of 1,733 sf. Several of the commercial lots will house the Salaam Halal Hub – poised to become an international retail halal hub and a halal luxury boutique hotel. Completion of Phase 1 is projected to be by 2026.

HOTEL

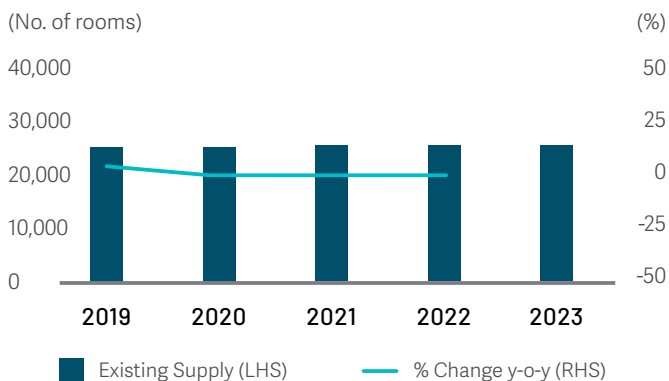
For the first 6 months of 2023, the hotel sector of Pahang remained stable with no new injection of hotel rooms into the market. Supply maintained at 25,601 rooms across 302 hotel establishments. Of these, 18 are rated 4 and 5-star whereas another 24 are rated 3-star. In the pipeline, only one new hotel is recorded to be under construction but bringing in just a small scale of 30 new rooms into the market.

That being said, several new hotel establishments will make land to Genting Highland's landscape as part of the larger King's Park integrated mixed-use development. Accor will be debuting their Swissotel Hotels & Resorts brand in Malaysia come 2028 with Swissotel Genting Highlands. The 300-key property will be built 30-storeys high and enjoy unblocked views of the stunning mountains and Genting Highlands summit is just a 15-minute drive away. Also joining in amongst King's Park tourist offerings is Hard Rock Genting Highlands. Set to be Asia's largest Hard Rock hotel upon its opening in 2027, the 45-storey hotel will feature 371 rooms and 630 suites, bringing its total accommodation offering to 1,001 rooms.

As the tourism industry gradually resumes back to full resumption, the Pahang government is targeting the arrival of 13 million tourists to Pahang for 2023. A total of 10.18 million tourist arrivals amounting to RM9.14 billion in spending were recorded for 2022, evidence of major growth from 2021's 2 million tourist arrivals. And proving thus far of this being an achievable target is the state having achieved the highest average occupancy rates of hotels in Malaysia for the first 6 months of 2023, averaging at 73%. As of September 2023, Pahang had already hosted 9.04 million domestic and international visitors. The five districts having witnessed remarkable tourist arrivals are Bentong, Kuantan, Cameron Highlands, Temerloh and Rompin.

Existing Supply of Hotels in Pahang (2019-1H 2023)

(Source: JPPH)



INDUSTRIAL

As at 1H2023, the industrial sector of Pahang witnessed a notable drop in volume by 27.6% to just 63 units but value surged up by 243.4% to RM273.39 million – indicating transactions, though smaller in number, to involve properties of high value. This is proven with 14 of the industrial properties transacted to be in the above RM1 million price bracket. By area, Kuantan holds 66.7% of market share, followed by Temerloh at 12.7%. Vacant industrial plots are the most popular type of industrial property to be transacted, taking up 52.4% of the market share.

On the supply side, 1H2023 saw a small growth of 1.2% statewide, putting existing stock at 3,680 units. 51.6% of the stock are found in Kuantan, and 20.5% in Temerloh. Terraced industrial units make up the bulk of the existing stock at 65.1% supply share, followed by detached units at 21.7%. In the pipeline, there are just 28 new industrial units under construction with 22 of it being terraced units. 14 new units are located in Kuantan and the remaining in Jerantut, Pekan and Temerloh.

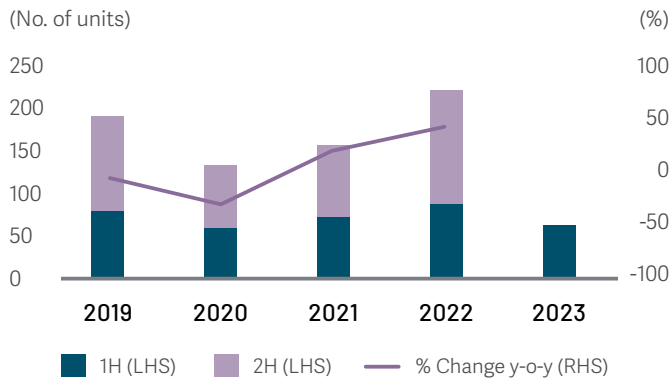
IJM Corp Bhd marks another venture into the industrial and logistics market by partnering with China Harbour Engineering Company Ltd (CHEC) for the Malaysia-China Kuantan International Logistics Park (MCKILP), an integrated mixed development and logistic hub in Kuantan. The 640-acre site in Malaysia-China Kuantan Industrial Park (MCKIP3) will comprise light and medium industrial, logistics and warehousing, commercial and residential components. The mixed development and logistics hub is expected to turn MCKIP 3 into a premier industrial and logistics hub in the East Coast Economic Region (ECER).

Printing and publishing firm Nextgreen Global Bhd has signed a letter of intent (LOI) with Japan-based Marubeni Corp to enter into a partnership for an upcycling project. Under this project, Nextgreen will be developing a new facility in Pahang, namely Green Technology Park (GTP). This will add to the current facility in Pahang operated by its wholly owned Nextgreen Pulp & Paper Sdn Bhd.

Originally poised to serve offshore oil and gas exploration and production in the South China Sea region, the Tanjung Agas Oil and Gas and Maritime Industrial Park

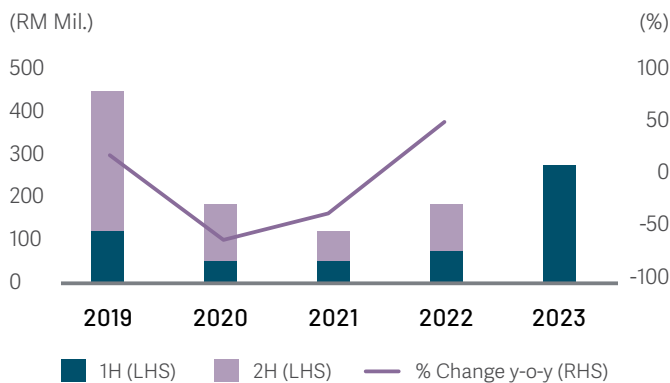
Volume of Industrial Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Pahang (2019-1H 2023)

(Source: JPPH)



in Pekan could be considered for investment in other industries too. Potential foreign investors are showing strong interest in utilising the facilities, with some China firms having visited the industrial hub to see if any further improvements is required on the layout, according to the State Investment, Industries, Science, Technology and Innovation Committee. Although the industrial park is investor-ready, discussions are ongoing with companies on how certain industrial needs can be accommodated in their plan to set up base in Tanjung Agas. The completion and full operation of the new Kuantan International Airport and ECRL will lend a hand to gaining momentum for the 1,639 hectares industrial park.

NOTABLE ANNOUNCEMENTS

- The East Coast Rail Link (ECRL) has entered a new phase with the 90km track laying works between Gebeng to Dungun at the end of 2023. It is estimated to take about 3 to 4 months to complete. Starting between ECRL’s Kuantan Port City station in Gebeng and Dungun, the next laying works will commence between Gebeng and Temerloh.
- Overall ECRL construction progress in Pahang has reached 43% up to April 2023 and is on track to commence operations by 1 January 2027.
- Construction of Kuantan’s new 3,000-acre new airport in Gebeng was announced to commence in 2024 and completion scheduled in 2026. The new airport forms part of the Pahang Aerospace City project and the passenger terminal is estimated to have a capacity of 250,000 annually. Upon completion of the new airport, the existing airport site will be returned to the control of the Royal Malaysian Air Force.
- Citaglobal Bhd, in collaboration with Abu Dhabi Future Energy Company PJSC (Masdar), have entered into a MoU to jointly explore and develop clean energy initiatives in Pahang.
- The newly constructed Kampung Seberang Guai bridge was officially launched by DYMM Yang di-Pertuan Agong. The 770m bridge costs RM98.5 million and spans across Sungai Pahang.

EAST MALAYA REGION

Sarawak

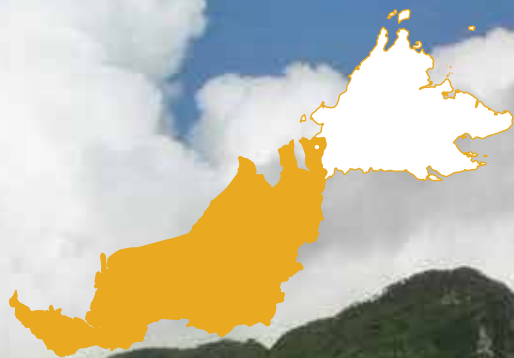
Sabah



AYSIA



Semporna, Sabah



Capital: Kuching

Est. Population: 2,509,500

Area (km²): 124,450

(Source: DOSM)

SARAWAK

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	286,985 units	2.2% y-o-y ▲
Transaction Volume	5,890 units	7.5% y-o-y ▼
Transaction Value	RM1.92 bil.	6.5% y-o-y ▼

RETAIL

Supply	11.67 mil. sf	0.0% y-o-y ■
Occupancy Rate	76.5%	0.1% y-o-y ▲
Rental	RM3.00 psf – RM23.50 psf	

PURPOSE-BUILT OFFICE

Supply	8.83 mil. sf	0.3% y-o-y ▲
Occupancy Rate	91.3%	0.4% y-o-y ▲
Rental	RM1.80 psf – RM3.80 psf	

SHOP OFFICE

Supply	33,563 units	0.7% y-o-y ▲
Transaction Volume	958 units	4.8% y-o-y ▼
Transaction Value	RM497.92 mil.	4.0% y-o-y ▲

HOTEL

Existing Supply	20,387 rooms	0.0% y-o-y ■
Incoming Supply	318 rooms	

INDUSTRIAL

Supply	7,487 units	2.2% y-o-y ▲
Transaction Volume	287 units	13.0% y-o-y ▲
Transaction Value	RM219.19 mil.	6.3% y-o-y ▲

RESIDENTIAL

As at 1H2023, the residential sector of Sarawak registered 5,890 transacted units worth RM1.92 billion following a moderating downward pace of 7.5% in volume and 6.5% in value. This comes after two consecutive hikes since 2020's pandemic low point, indicating market to potentially reach a stabilising point for the first 6 months of 2023.

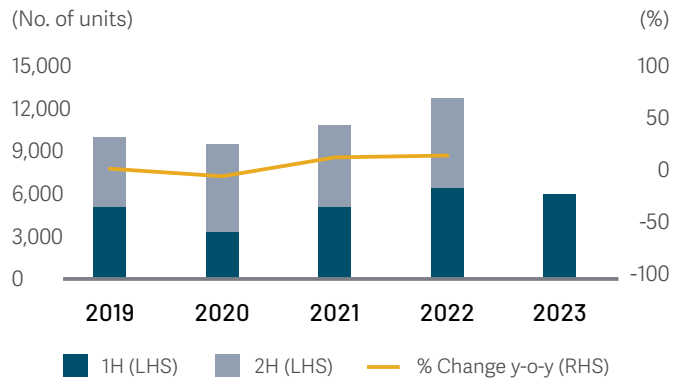
72.9% of the transactions were below RM400,000, showing demand preference to remain prominently within the affordable range. By type, terraced houses made up the most with 43.9% market share, followed by semi-detached at 21.2%. Condominium/apartment comes in at a smaller scale of 6.7% market share. Kuching has the highest number of transactions by area, pulling in 40.5% of the state's total residential purchases. The next two are Miri with 18.5% and Sibul with 17.0%.

A small increment in stock was observed for 1H2023, by 2.2% to 286,985 residential units. Of the existing stock, landed homes dominated the market with an 84.4% stock share, terraced homes at 54.2% and condominium/apartment come to 30,490 units or 10.6%. Kuching holds the highest concentration of residential stock at 42.1% whilst other areas of notable residential presence include Miri, Samarahan and Sibul.

In the pipeline, there are 16,508 new residential units in construction. The top 3 areas siting these new units are Kuching (50.2%), Samarahan (12.3%) and Bintulu (11.0%).

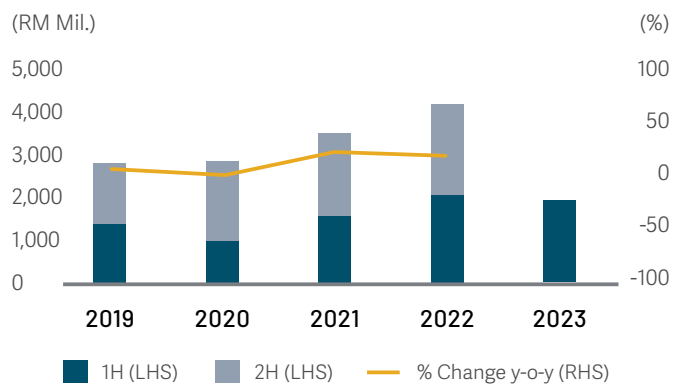
Volume of Residential Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)



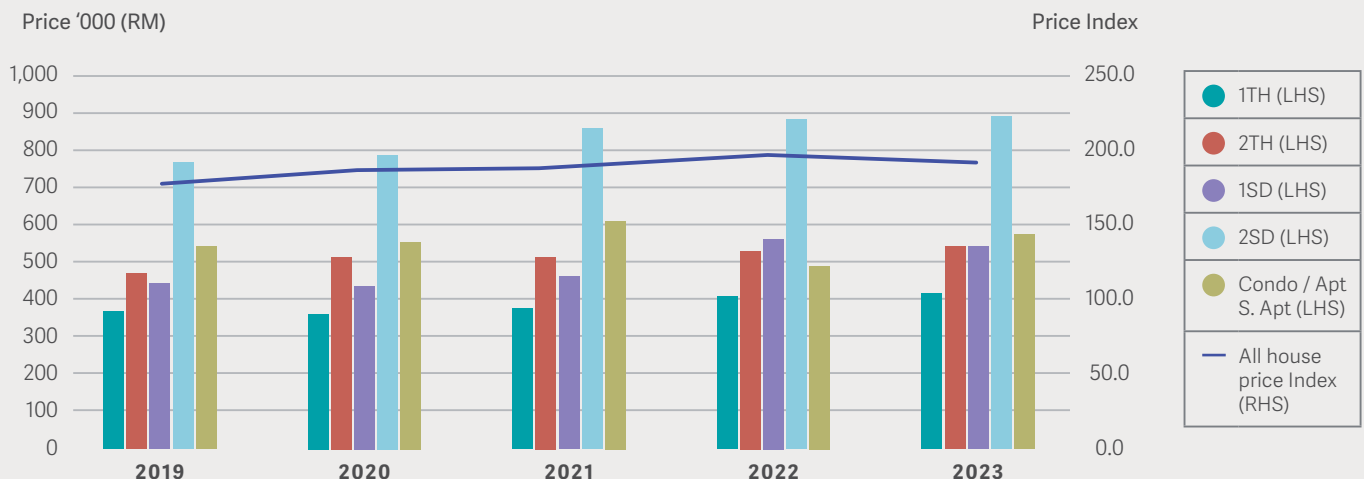
Value of Residential Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)



Kuching Residential Property Price Trend & House Price Index (2019 - 2023)

(Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential in Sarawak

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Ava Grove @ Stapok Kuching	Kuching	2-sty Terraced & 2-sty Semi-Detached	60	From RM650,000	2023
		2-sty Semi-Detached		From RM898,000	2023
Taman Vision Height 3	Kuching	2-sty Terraced	111	From RM496,000	2023
Urban Heights	Kuching	2-sty Terraced	66	From RM636,888	2023
SHM Garden 15	Kuching	2-sty Terraced	43	From RM777,000	2023
Tropical Heights	Kuching	2-sty Terraced (corner lot)	35	From RM923,800	2023
Lotus Residence @ Taman Paradise	Samarahan	2-sty Terraced	33	From RM698,000	2024
Greenery Heights	Kuching	2-sty Terraced	37	From RM536,800	2024
Pine Residence 84 @ Batu Kawa	Kuching	2-sty Terraced	84	From RM725,000	2024
Ricarton Avenue	Kuching	2-sty Terraced	79	From RM520,000	2024
		2-sty Semi-Detached	20	From RM630,000	2024
SOL Estate	Kuching	2-sty Terraced & 2-sty Semi-Detached	74	From RM998,888	2025
Taman Wangsa 3	Kuching	2-sty Terraced	33	From RM588,800	2026

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
D'Millenia	Kota Samarahan	Condominium	400	From RM260,000	2023
The Glen	Kuching	Apartment	628	From RM300,000	2024
Morrison Residence	Kuching	Condominium	110	From RM673,000	2024
Tower 33	Kuching	Serviced Apartment	119	From RM588,000	2025
Milano Eight	Kuching	Condominium	780	From RM384,000	2025
AVA 8 @ Kota Sentosa	Kuching	Serviced Apartment	270	From RM383,000	2025/2026
Upton	Kuching	Apartment	258	From RM440,000	2026
Banquet Residence	Kuching	Serviced Apartment	262	From RM480,000	2026
The Charlotte	Kuching	Apartment	333	From RM420,000	2026

"SARAWAK, LIKE MANY OTHER REGIONS IN MALAYSIA, HAS SEEN GROWTH IN ITS RESIDENTIAL REAL ESTATE MARKET, PARTICULARLY IN URBAN AREAS SUCH AS KUCHING, MIRI, AND SIBU."

Though terraced homes remain the most popular in new supply as reflected in the current market with close to 8,000 units, condominium/apartment is close behind with 6,216 new units under way.

Sarawak, like many other regions in Malaysia, has seen growth in its residential real estate market, particularly in urban areas such as Kuching, Miri, and Sibü. Demand for residential properties, including apartments, condominiums, and landed houses, has been driven by factors like population growth, urbanization, and a rising middle class. Government initiatives and incentives, such as affordable housing programs, have played a role in supporting the residential market. In recent times, the government has demonstrated a significant commitment to enhancing connectivity and infrastructure.

Following the footsteps of the federal government in resolving the underlying 'sick' housing projects happening nationwide, Sarawak's own Ministry of Public Health, Housing and Local Government is in the planning to set up a task force dedicated to resolving the 5% housing projects identified to be under the 'sick' category. Not only is this done in the interest of the affected buyers, but it is also to improve Sarawak's overall image as some of the abandoned projects are situated right along main roads.

Australia-based EXAL has marked their entry into Malaysia's property market with the launch of SOL Estate, a development based on sustainability and multi-generational living. Situated on Arang Road West, the RM365 million residential project spans across 28.5 hectares and features 269 homes to be developed in 3 phases. Phase 1 is targeted for completion by December 2024 and comprise of 42 2-storey duplexes and 32 2-storey courtyard houses.

Mid-2023 saw the launch of 33 2-storey terraced houses under the Lotus Residence by Radium Properties. Situated along Mile 9 Penrissen Road near Kota Samarahan, the units range from 1,893 sf to 2,042 sf, with prices starting from RM698,000. Currently under construction, the development is on track to complete by the second quarter of 2024.

Hainton Residences in Samariang will be the first innovative smart housing area to utilize the Solar Net Energy Metering (NEM) scheme in Sarawak. Comprising of 15 units made of twin, semi-twin and quadruplex types, the project is a collaborative effort between Gabungan Binaan Jurutenaga Sdn Bhd and University of Technology Sarawak, with the support of Sarawak Energy as the implementing agency for the NEM scheme in the state. The project is scheduled to begin construction by end 2023.

In promoting foreign investments in the state, the Sarawak-MM2H programme is already running with further refinements to programme introduced in August 2023. The version is designed to be more attractive with fewer restrictive financial requirements than the federal government's programme. For the first 8 months of 2023, the state had approved 406 S-MM2H applications, adding to the total approvals to 2,093 since 2007.

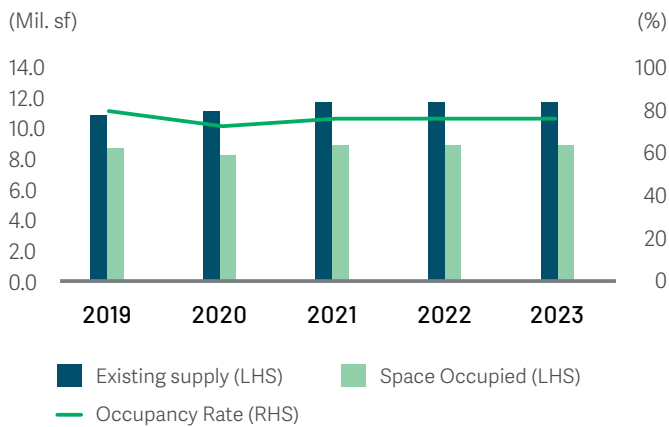
RETAIL

No movements were observed for Sarawak's retail sector in the first 6 months of 2023 with supply remaining at 11.67 million sf and occupancy rate at 76.5%. At this absorption level, there are 2.75 million sf of vacant retail space in the market as at 1H2023.

As the top area with highest number of retail establishments, Kuching's 7.02 million sf of retail space is 78.6% occupied, leaving the remaining 1.50 million sf vacant. Two other areas with notable retail presence are Miri and Bintulu, both boasting 1.80 million sf and 1.33 million sf respectively. In retrospect, both areas also contribute to the next two highest vacant retail space after Kuching, each at just above 400,000 sf.

Existing Supply & Occupancy Rate of Retail Spaces in Sarawak (2019-1H 2023)

(Source: JPPH)



In the pipeline, there are 2 new retail establishments under construction. 1 in Limbang at 176,108 sf and the other in Bintulu at 272,488 sf. With retail supply having remained relatively stable since 2021, any future injection of new retail space may put further pressure on demand level as there is already more than 2.5 million sf of retail space sitting vacant as of 1H2023.

PURPOSE-BUILT OFFICE

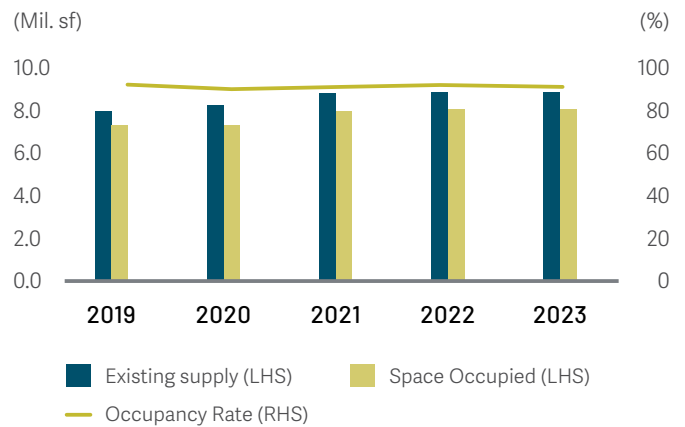
The office sector of Sarawak remains stable as of 1H2023, recording minimal growth of 0.3% in stock and a slight improvement in occupancy performance, up by 0.4%. This places the state's office market at 8.83 million sf with overall occupancy rate at a high 91.3% - and has remained so in the past years.

Kuching holds the largest portion of office space stock, at 6.04 million sf across 71 PBO buildings. This equates to 68.4% of the state's office stock share. Other areas are at a much smaller scale, the next two being Sibul at 765,486 sf and Bintulu at 696,253 sf. At 91.3% occupancy, less than a million sf are left vacant as of 1H2023, recorded at 771,998 sf – 52.5% are in Kuching. In the pipeline, 4 new PBO buildings are currently under construction with a cumulative new office space of 688,255 sf, all situated in Kuching.

The upcoming Hikmah Exchange and Hikmah Exchange Event Centre Kuching is a large-scale development set to transform the landscape of Jalan Haji Taha in Satok entirely. Comprising of a shopping and office building, the 23-storey development sits on approximately 4 acres

Existing Supply & Occupancy Rate of Purpose Built Office in Sarawak (2019-1H 2023)

(Source: JPPH)



of land. Upon completion, it will be the leading centre for government administrative centre and businesses. Initially expected to complete in 2020, construction is still ongoing in 2023.

As a standalone building next to the main Hikmah Exchange building, the Hikmah Exchange Event Centre (HEEC) was officially opened on 5th August 2023 and is design to accommodate 1,700 pax at a time. This new completion also marks Sarawak's first smart building as the building is fully equipped with an e-switch system. This falls in line with the government's objective to implement the 'Old Kuching Smart Heritage' programme.

HOTEL

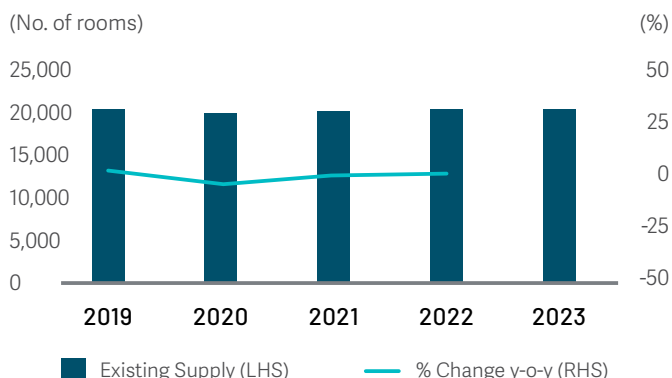
The hotel sector of Sarawak remains relatively unchanged in supply at 20,387 rooms across 383 hotel establishments. Of the 383 hotel establishments, 18 are rated 4 and 5-star whereas 34 are rated 3-star. Unrated hotels contribute the largest supply share of 290 hotels. In the pipeline, only one hotel is recorded to be under construction, bringing in 318 new rooms into the sector upon completion.

Though no change in supply was recorded officially, new openings were observed in the local news in both the first and second half of 2023.

Developed by Tecktonic & Sons Holdings Sdn Bhd, the Roxy Hotel chain will be undertaking the over 20-year-old abandoned hotel building located at Jalan Tun Ahmad Zaidi Aduce under its wings, giving the building a new lease of life. Renamed as Roxy Impiana Hotel,

Existing Supply of Hotels in Sarawak (2019-1H 2023)

(Source: JPPH)



the developer has spent a year renovating the 8-storey building and has opened its doors for guests in the second half of 2023. Roxy Hotel also had the opening of its seventh location at Aiman 2 Commercial Centre. Taking over 7 shop lot units, the new hotel is catered to meet the demand of students and university facilitators from nearby universities.

The Sheraton Kuching Hotel had its soft opening in October 2023 with the full grand opening scheduled after Chinese New Year 2024. Easily distinguishable by its iconic curved architecture, the newly completed hotel offers 378 rooms across 22 floors.

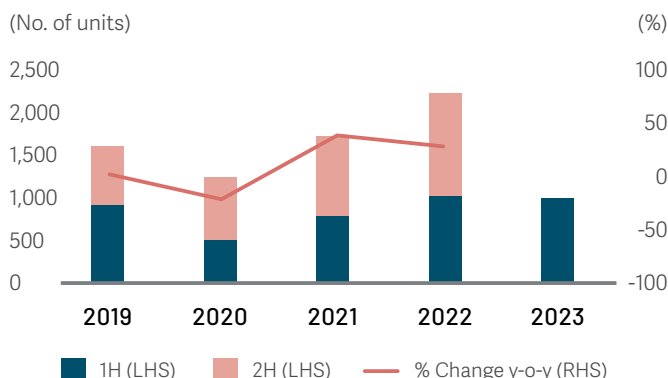
The Marudi waterfront extension project and first phase of a proposed 3-star hotel is in the works to complete by 2025. Positioned on the site of the old Marudi Rest House, the Sarawak Economic Development Corporation (SEDC) 90-room hotel will be catering to the needs of meetings, conferences and events in Marudi. Its location strategically overlooks the Baram River and is close to Marudi Airport.

SHOP OFFICE

For 1H2023, the shop office sector of Sarawak shows a moderate move following the consistent growth from 2020's low point. Registering a slight drop of 4.8% yet small increase of 4.0% in value, the shop office sector performed at 958 transacted units worth RM497.92 million. 32.6% of the transactions were recorded in Kuching, followed by 23.4% in Sibiu. Ranging from pre-war to 6-storey types, the most popular transacted type were 3-storey units with a market share of 49.6%, followed by 2-storey units at 31.0%.

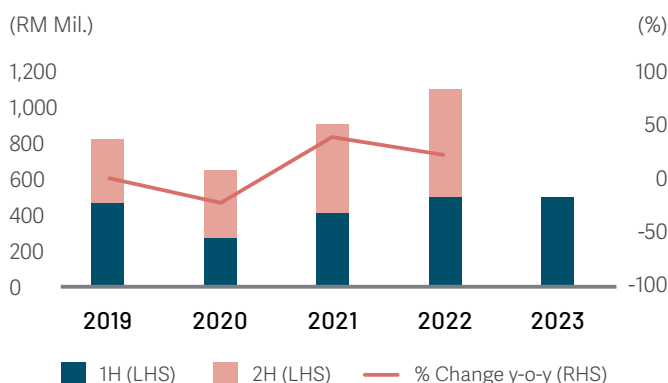
Volume of Shop Office Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)



On the supply side, a small growth of 0.7% was observed, bringing the total shop offices ranging from pre-war to 6-storey types up to 33,563 units as at 1H2023. 38.6% of the stock are located in Kuching, followed by Miri at 14.9% and Sibiu at 14.6%. By type, 3-storey units prove to be the most popular in supply with a sizable 58.1% supply share statewide, followed by 2-storey units with 20.9%.

In the pipeline, there are 1,108 new shop offices under construction. Kuching having 37.7% of the new incoming supply, followed by Bintulu with 21.7% and Miri at 14.7%. 3-storey units remain the top choice by developer as it contributes 78.8% of incoming supply share.

Ibraco Berhad is expanding its footprint in Kota Samarahan. The latest highlight being Arden City, an integrated township spanning across 76.3 acres of land. Within this integrated development is a commercial square that features 39 units of 3-storey shop offices. Adding to this is their flagship project, The NorthBank township spanning

Selected Newly-Completed & Upcoming Shop-office in Sarawak

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
The NorthBank-Ph 2	Kuching	3-sty Shop Offices	59	From RM1.9 mil	2023
Parkway @ Stutong Baru	Kuching	4-sty Shop Offices	33	From RM1.8 mil	2023
Bintulu Garden City Commercial Centre	Bintulu	3-sty Shop Offices	316	From RM1.4 mil	2023

123 acres along the Kuching-Samarahan Expressway. Amongst the components making up the township is The NorthBank Commercial Centre. It features 59 units of 3-storey commercial shops, 9 units of 1-storey shops and 4 units of 8-storey strata-titled office towers.

INDUSTRIAL

As at 1H2023, the industrial sector of Sarawak showed continued growth in transaction activities, keeping to the recovery pace from 2021. Registering a rise of 13.0% in volume and 6.3% in value, the sector performed at 287 transacted units worth RM219.19 million for the first 6 months.

Of the total transactions, 30.0% are located in Sibü, 28.2% in Miri and 20.9% in Kuching. By type, semi-detached factory/warehouse take the lead with a 59.6% market share, followed by vacant industrial plots at 22.0%.

On the supply side, industrial property stock for Sarawak grew slightly by 2.2% to 7,487 units – 66.5% are semi-detached units, 16.5% are detached units, and 12.5% terraced units. The top 3 areas with the highest industrial property stock are Kuching (37.1%), Miri (16.8%) and Sibü (16.8%).

In the pipeline, there are 246 new industrial units under construction with areas siting the new stock to be in Bintulu, Kuching, Miri, Serian and Sibü. 90.2% of the incoming stock are of the semi-detached type.

Sarawak has been actively promoting industrialization, with a focus on sectors like petrochemicals, manufacturing, and agriculture. The state's industrial market has benefited from its strategic location, natural resources, and the Sarawak Corridor of Renewable Energy (SCORE) initiative, which aims to attract investments and

create industrial zones. Factors such as infrastructure, transportation, and the ease of doing business play a vital role in the industrial real estate sector's performance.

Acting as a boost to Sarawak's industrial sector, Latrobe Magnesium Ltd (LMG) will invest in a manufacturing plant in Samalaju Industrial Park in Bintulu, with an expected annual production capacity of 100,000 tonnes of magnesium. A 40-hectare site was agreed to house the new manufacturing plant.

Sarawak Shell Bhd, a subsidiary of Shell, has marked the beginning of the onshore plant development for the Rosmari-Marjoram project in Bintulu. The Rosmari-Marjoram development is one of the strategic projects to ensure a sustained gas supply to the Petronas LNG complex. It comprises a deep-water subsea facility, a remotely operated offshore platform and an onshore gas plant. Gas production is expected to commence in 2026.

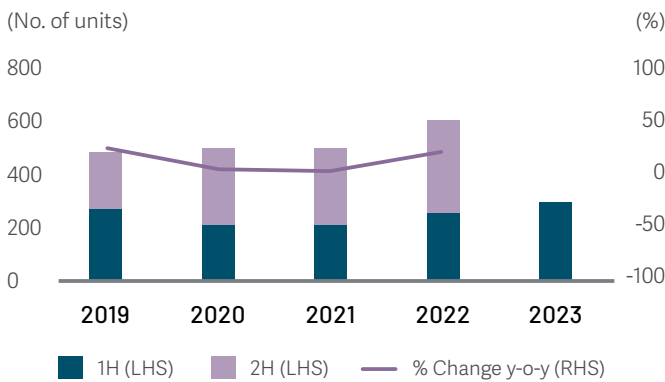
Bintulu will also be seeing the construction of two major manufacturing projects, acting as the next cornerstone of Sarawak's green hydrogen economy. Named the H2biscus and H2ornbill projects, both are projected to be in operation in Bintulu Petchem Industrial Park by 2027. Additionally, another hydrogen production plant and refuelling station is in development in Rembus, Kota Samarahan. This is to support the Kuching Urban Transportation System (KUTS) project. Completion is expected to be in 2025.

Following the green energy theme, the state government launched the state's first industrial microalgae carbon capture facility on a 5-hectare site in Sejingkat, Bako. The facility will mark a significant milestone towards achieving a sustainable green economy for Sarawak and lay the foundation for future green initiatives. Future plans are made to expand the site to 2,000 hectares to produce algae biomass, making it one of the largest in the world. The project is fully funded by New Energy and Industrial



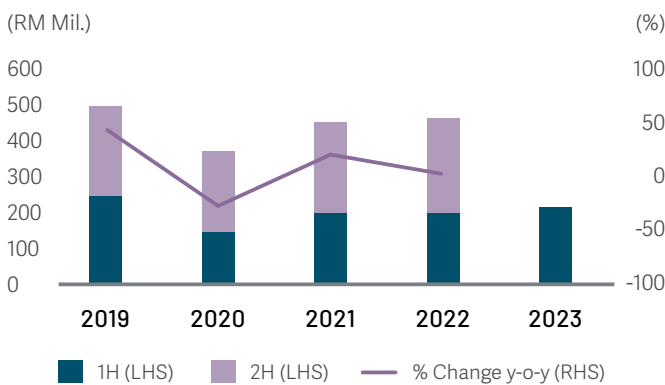
Volume of Industrial Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)

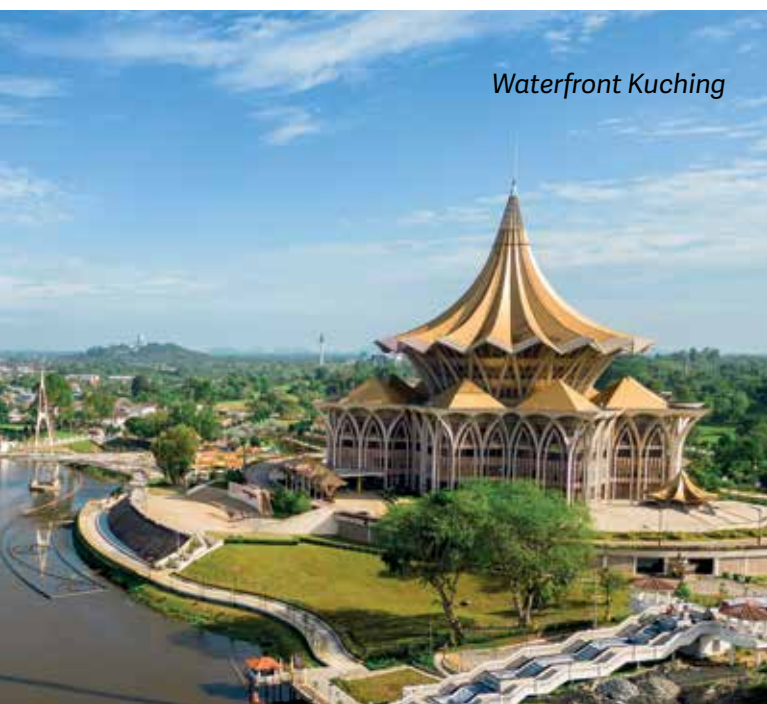


Value of Industrial Property Transactions in Sarawak (2019-1H 2023)

(Source: JPPH)

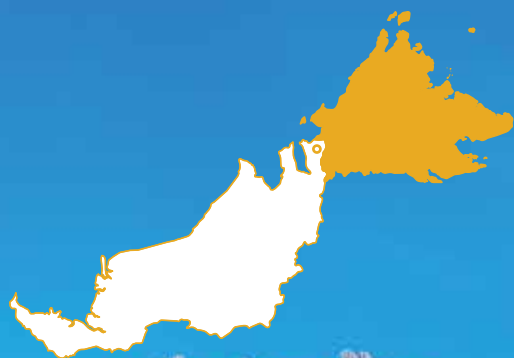


Technology Development Organisation (NEDO) and managed by Japan’s Ministry of Economy, Trade, and Industry (METI).



NOTABLE ANNOUNCEMENTS

- The Sarawak Medical Innovation Technology Hub Sdn Bhd (SMITH) has entered into an agreement with the Export-Import Bank of Malaysia Bhd (EXIM Bank) to develop a medical glove manufacturing plant in Sarawak. The first phase of the development will be located within the SEDC Petchem Industrial Park.
- The Ministry of Local Government Development (KPKT) has approved a total of RM13.2 million for the construction of a Fire and Rescue Department (JBPM) station and quarters in Sarawak. This involves the construction of Sungai Asap Fire and Rescue Station (BBP) and the quarters of Tatau and Daro stations. Completion projected to be by early 2025.
- The state government is embarking on the trans-Borneo railway study and development project, including the feasibility of a comprehensive railway network across Sarawak. This extends to their commitment of identifying the feasibility of cross-border rail connectivity with neighbouring Brunei and Kalimantan, Indonesia.
- The state government has ordered 38 units of Autonomous Rapid Transit (ART) vehicles to transform the state’s public transportation system. These new ART vehicles will arrive from China upon the completion of the Kuching Isthmus engineering run and Proof-of-Concept (POC) exercise. The 38 new ART units will provide coverage across 3 ART lines in Kuching, namely the Red Line, Green Line and Blue Line. Commercial run of the ART is projected to be by end 2025.
- In their mission to making Sarawak the centre for medical reference in Borneo, all facilities at the Normah Medical Specialist Centre (NMSC) will be upgraded as well as endorse the construction of a new 320-bed NMSC in Santubong peninsula.
- In partnership with Sarawak Energy Bhd (SEB), Gentari Green Mobility Sdn Bhd has expanded its electricity vehicle (EV) charging network in Sarawak. As the first EV charging point for the state, Kuching’s ICOM Square will be the starting point of many more to come in the near future.
- A new 6.2km road is constructed to connect Samarahan to Kuching international Airport and completion projected to be in 2024.



Capital: Kota Kinabalu

Est. Population: 3,592,800

Area (km²): 73,904

(Source: DOSM)

SABAH

KEY FACTS (AS AT 1H 2023)

RESIDENTIAL

Supply	239,802 units	2.2% y-o-y ▲
Transaction Volume	2,425 units	15.8% y-o-y ▼
Transaction Value	RM962.53 mil.	14.6% y-o-y ▼

RETAIL

Supply	8.07 mil. sf	0.2% y-o-y ▼
Occupancy Rate	79.7%	4.1% y-o-y ▲
Rental	RM2.10 psf – RM18.50 psf	

PURPOSE-BUILT OFFICE

Supply	8.83 mil. sf	0.0% y-o-y ■
Occupancy Rate	89.3%	1.7% y-o-y ▲
Rental	RM1.50 psf – RM4.00 psf	

SHOP OFFICE

Supply	30,475 units	0.7% y-o-y ▲
Transaction Volume	283 units	7.8% y-o-y ▼
Transaction Value	RM197.30 mil.	8.4% y-o-y ▲

HOTEL

Existing Supply	23,402 rooms	1.0% y-o-y ▲
Incoming Supply	3,217 rooms	

INDUSTRIAL

Supply	6,325 units	0.5% y-o-y ▲
Transaction Volume	211 units	22.0% y-o-y ▲
Transaction Value	RM311.14 mil.	9.0% y-o-y ▲

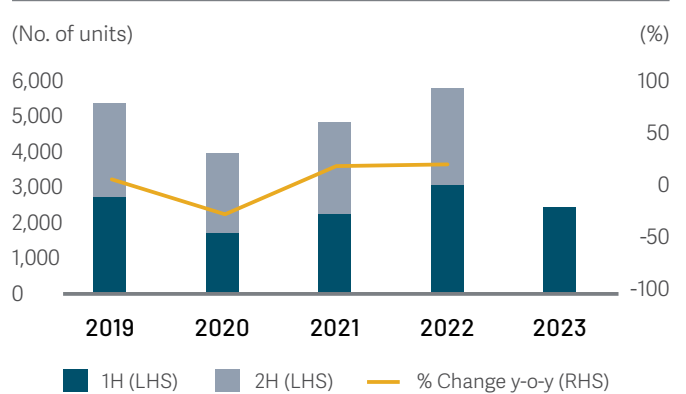
RESIDENTIAL

As at 1H2023, Sabah’s residential market saw 2,425 units worth RM962.53 million transacted in the first 6 months of the year. This comes after a drop of 15.8% in volume and 14.6% in value from 1H2022, showing market activities taking a step down; to the extent that 1H2023 stands below 1H2019’s level of 2,681 transacted units. It still remains to be seen if market levels may come down lower or that it is just a temporary moderating move as the market adjusts itself.

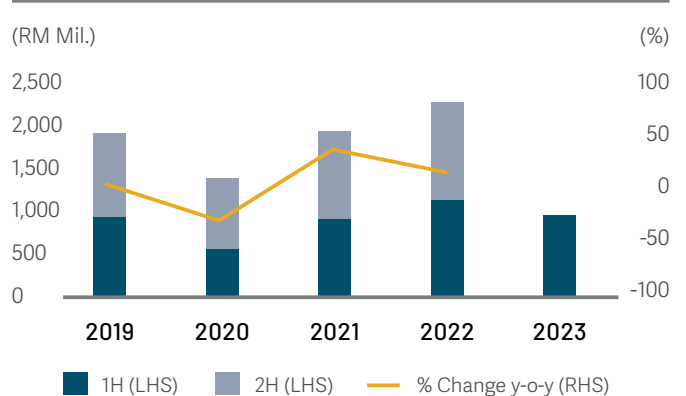
79.0% of the transactions were recorded to be below RM500,000 and 36.6% involves terraced houses whilst condominium/apartment took up 27.7% of market share. By area, Kota Kinabalu sees the highest number of transactions at 830, equivalent to 34.2% market share. Other areas of notable residential transactions include Sandakan, Kinabatangan, Penampang and Tawau.

On the supply side, Sabah’s residential stock saw a growth of 2.2% to 239,802 units across various types. The most popular is terraced houses at 35.9% supply share, followed by condominium/apartment type with 26.3% supply share. Predictably, Kota Kinabalu has the highest concentration in residential stock at 68,456 units, equivalent to 28.5% of the state’s total residential stock. The next areas with each having circa 30,000 units are Sandakan, Penampang and Tawau.

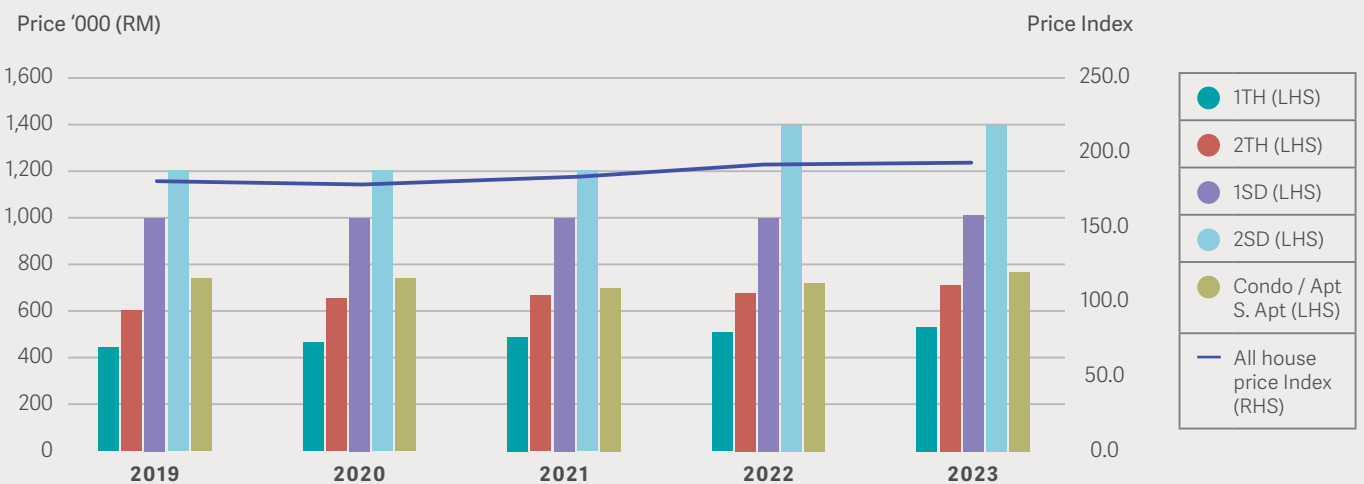
Volume of Residential Property Transactions in Sabah (2019-1H 2023) (Source: JPPH)



Value of Residential Property Transactions in Sabah (2019-1H 2023) (Source: JPPH)



Kota Kinabalu Residential Property Price Trend & House Price Index (2019 - 2023) (Source: Rahim & Co Research, IHRM)



Selected Newly Completed & Upcoming Residential Properties in Sabah

Landed

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Taman Sri Suria Jaya 2 Phase 1	Tuaran	1-sty Terraced	92	From RM325,090	2023
Rimbayu Indah (Ph 1A)	Sandakan	2-sty Terraced	52	From RM580,000	2023
Taman Bukit Alamanda	Papar	2-sty Terraced	107	From RM298,000	2023
Taman Eko Tropika	Papar	2-sty Terraced	98	From RM305,000	2024
Rimba Hill	Kinarut	4-sty Townhouse	90	From RM496,300	2024
		Terraced	46	From RM587,100	2024
Lume	Kolombong	Semi-Detached	44	From RM1.910 mil	2024
		Detached	8	From RM6.00 mil	2024
Taman Jelita (Ph 2)	Tuaran	1-sty Terraced	37	From RM348,200	2024
Riveria Villas	Kepayan	3-sty Terraced	30	From RM998,000	2024
Parklane II @ Taman Bukit Sepangar	Kota Kinabalu	2-sty Terraced	95	From RM659,110	2025

High-Rise

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Forest Hill Residences	Bundusan	Condominium	396	From RM550,000	2023
Alam Pesona	Putatan	Condominium	400	From RM255,000	2023
Vetro II Designer Suite	Kota Kinabalu	Serviced Apartment	260	From RM370,000	2023
Eco Peak Residences	Donggongan	Condominium	321	From RM362,000	2023
Residensi Fantasi	Likas	Condominium	60	From RM660,000	2024
313 Suites	Kota Kinabalu	Serviced Suites	226	From RM350,000	2025
Acacia Mengatal	Menggatal	Apartment	288	From RM237,000	2025
Damar Residence @ Tropicana Park City	Kinarut	Condominium	360	From RM352,000	2025
Damai Suites	Kota Kinabalu	Apartment	256	From RM299,800	2025
88 Avenue	Kepayan	Serviced Suites	1,664	From RM550,000	2026
The Logg @ Parkhill	Luyang	Condominium	250	From RM330,000	2026



In the pipeline, there are 18,641 units currently under construction. Of the new incoming stock, 63.8% are condominium/apartment units and 21.5% are terraced homes. This demonstrates the growing injection of high-rise units into Sabah’s residential market with varying sales performance between projects.

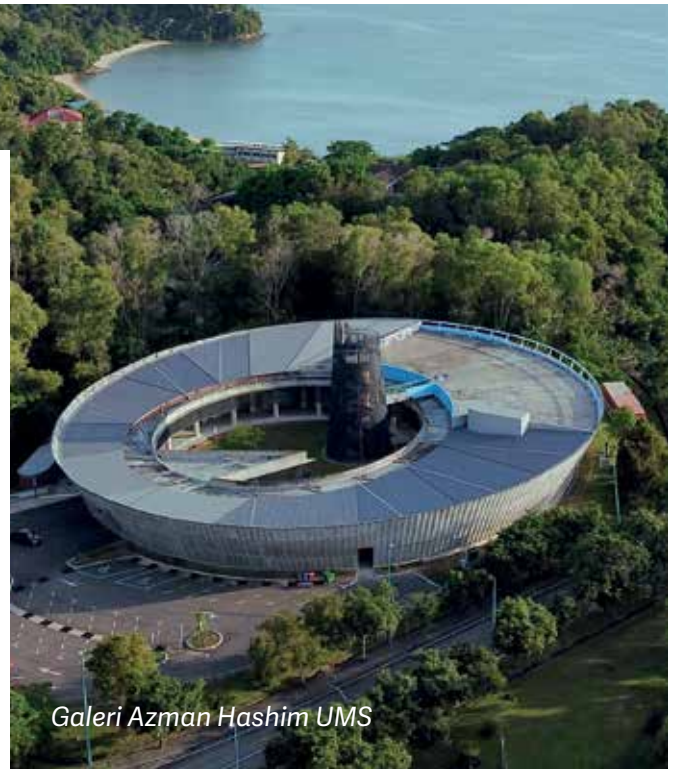
In their pursuit to improve the provision of affordable homes in Sabah, the Sabah Housing and Town Development Authority (LPPB) has built 29,218 units of low-cost houses statewide as at the first quarter of 2023. There are more under construction and 175 units of low-cost houses are being built under the 12th Malaysia Plan with completion projected to be in 2025. These low-cost units are priced between RM42,000 to RM50,000 per unit.

In Tuaran, an affordable housing project will commence via a joint venture agreement between LPPB and a local developer. Located in Kampung Serusup, the project comprises of 1,853 affordable units on a total land area of 6.3 hectares. Built as 5 apartment blocks, the units will be sold from RM250,000 and is designed as a two-bedroom unit.

Regarded as the landmark of Tropika Park City@KK South project, the Damar Residence by Zalam Development (Sabah) Sdn Bhd is the first phase of the 40-acre wide mixed-use project. The entire project is developed via a joint venture with Sabah Urban Development Corporation (SUDC). Piling and foundation construction commenced in April 2023 and completion is expected by 2025. Damar Residence stands 24-storey high comprising of 360 units.

July 2023 saw the launch of Encorp Bhd’s maiden venture in Kota Kinabalu named Cahaya Kristal. The development comprises of 166 units spread across a 10-storey tower block with sizes ranging between 530 sf and 790 sf. With a gross development value of an estimated RM79.2 million, Cahaya Kristal is targeted for completion in July 2026.

In strengthening the licensing control of housing development matters and ensuring the protection of homebuyers’ interest in Sabah, the State Legislative Assembly has passed a Bill to amend the Housing Development (Control & Licensing) Enactment 1978. With the last amendment done back in 2007, there is a need to update and improve the Enactment for today’s homebuyers, especially those falling victim to ‘sick’ housing projects.



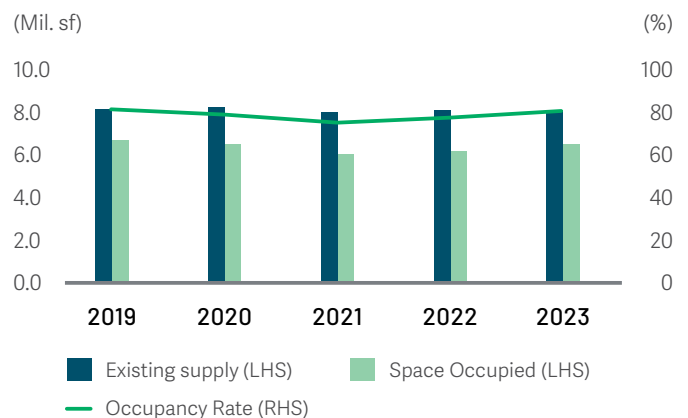
Galeri Azman Hashim UMS

RETAIL

The retail sector of Sabah saw no new injection of retail space, instead recording a minor decrease of 0.2% to 8.07 million sf. At an occupancy rate of 79.7% statewide, retail is looking at a cumulative vacant space of 1.63 million sf as at 1H2023. Due to Kota Kinabalu having the highest concentration of retail space for Sabah, 1.21 million sf are sitting vacant out of the capital district’s total of 5.81 million retail space. In the pipeline, only one new retail establishment is recorded to be under construction, at 384,734 sf in Kota Kinabalu.

Existing Supply & Occupancy Rate of Retail Spaces in Sabah (2019-1H 2023)

(Source: JPPH)



While there have been no new retail malls for the sector thus far, 2 widely known retail brands have made their debut in Sabah in 2023. One is Harvey Norman who had opened their first store and the other is USC by Sports Direct in Suria Sabah Shopping Mall. Boasting a total retail footprint of 18,000 sf, USC by Sports Direct is the largest sports store in Sabah to date.

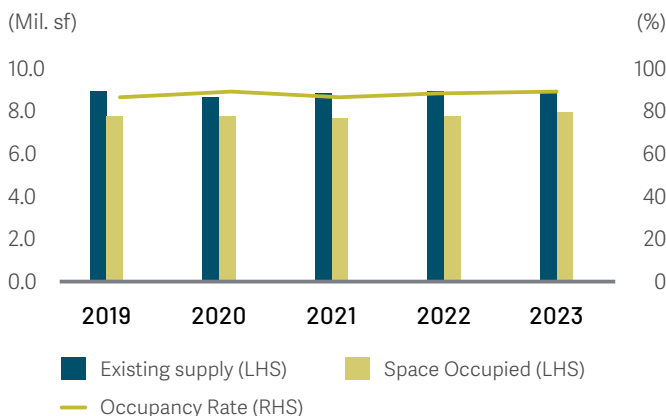
A new retail mall is in the plan for Tanjung Lipat as they will be home to The Cove mixed-use development. Developed on a 6.28-acre land with a total Gross Development Value (GDV) of RM1.01 billion, the mixed-use development will be constructed in phases, starting with Phase 1 comprising of a new Menara LPPS, a retail and multi-storey carpark. Construction of Phase 1 is projected to be completed within 4 years. Phase 2 will next feature service suites, condominiums, and hotels.

PURPOSE-BUILT OFFICE

1H2023 saw Sabah’s office sector remain stable with no new injection of office space recorded into the market. Supply maintained at 8.89 million sf which most likely contributed to occupancy rate showing some improvement of 1.7% to 89.3%. This leaves 950,087 sf of office space sitting vacant statewide. As the capital of Sabah, Kota Kinabalu has the highest concentration of supply with 7.65 million sf – equivalent to 86.1% of Sabah’s PBO supply share. In the pipeline, 3 new office buildings were recorded for 1H2023 with a cumulative size of 158,703 sf. All 3 are located in Kota Kinabalu.

Existing Supply & Occupancy Rate of Purpose Built Office in Sabah (2019-1H 2023)

(Source: JPPH)



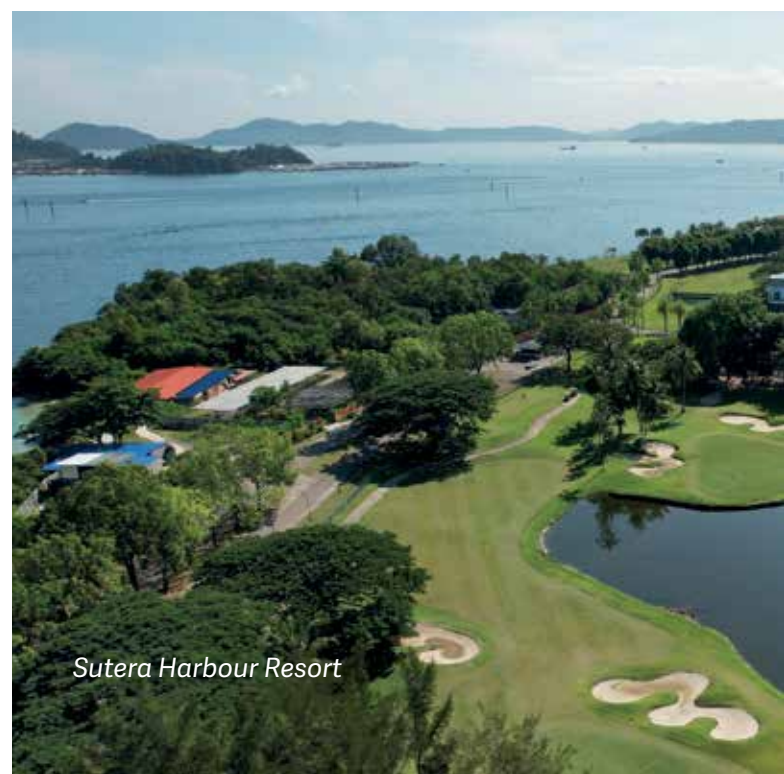
One new office building in the works is the Menara LPPS in Tanjung Lipat. As part of the larger mixed-use development The Cove, the new office building is expected to have a net lettable area of 183,390 sf. It will be the new headquarters of Sabah Ports Authority (LPPS) upon completion in 2026.

SHOP OFFICE

The shop office market of Sabah saw a decline for the first 6 months of 2023 in transaction activity. Down by 7.8% in volume but with value rising at 8.4%, 1H2023 recorded 283 transacted units worth RM197.30 million. Thus far, market activities for Sabah’s shop office sector have yet to rebound back to 1H2019’s performance of 347 transacted units worth RM215.07 million – in fact falling slightly more behind. Slightly more than half of the transactions involved 2-storey shop offices.

The existing supply of shop office in Sabah, ranging from pre-war to 6-storey types, stands at 31,046 units as at 1H2023. Of this stock, 29.8% are located in Kota Kinabalu. Other areas with notable shop office presence include Penampang, Sandakan and Tawau with each averaging at 3,650 units. By type, 2-storey shop offices make up 43.2% of the state’s supply share.

In the pipeline, there are 1,704 new shop office units under construction. These new stocks are primarily located in Kota Marudu, Lahad Datu, Penampang, Sandakan and Sipitang.



Sutera Harbour Resort

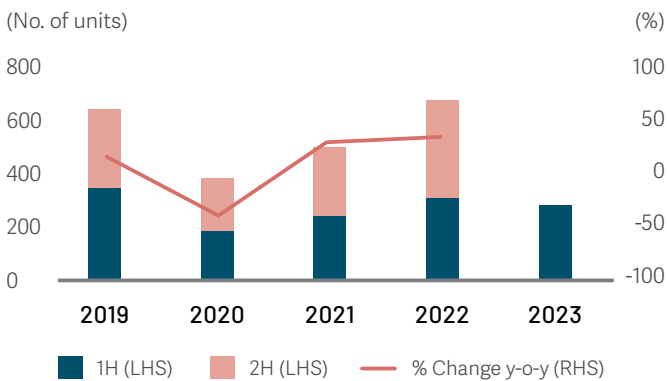
Selected Upcoming Shop-offices in Sabah

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Sipitang Walk	Sipitang	2&3-sty Shop Offices	96	From RM850,000	2024
Rimba Hills	Kinarut	2-sty Shop Offices	22	From RM469,300	2024
Beaufort Pavilion	Beaufort	3-sty Shop Offices	20	From RM1.32 mil	2024

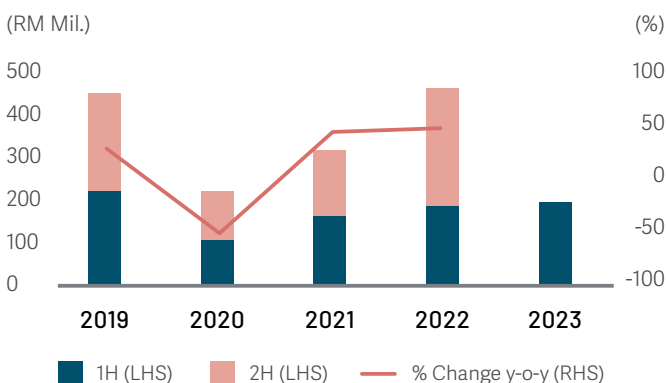
Volume of Shop Office Property Transactions in Sabah (2019-1H 2023)

(Source: JPPH)



Value of Shop Office Property Transactions in Sabah (2019-1H 2023)

(Source: JPPH)



Plaza Semporna made its debut with all of its 22 3-storey shop office units booked up as part of their Phase 1 launch. Sitting on a 15-acre site, Plaza Semporna is the maiden project of Sawit Kinabalu Group.

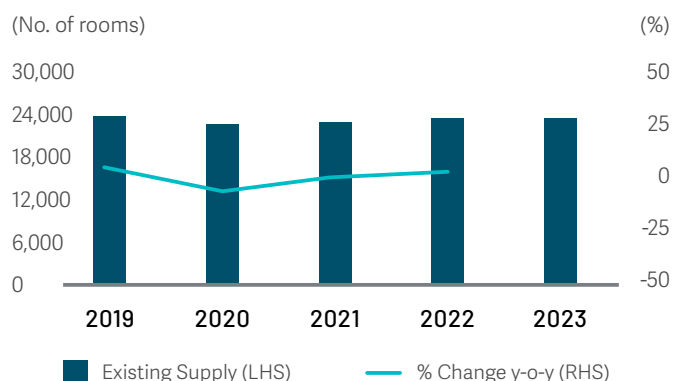
HOTEL

On Sabah’s hotel sector, the supply of rooms as of 1H2023 is at 23,402 rooms after a small increase of 1.0% year-on-year. These make up 415 hotel establishments statewide with 25 establishments rated 4 to 5-star and 44 establishments rated 3-star. In the pipeline, 14 new hotel establishments are recorded, bringing in a cumulative 3,217 new rooms into the sector.

Positive signs were seen for Sabah’s tourism sector as promising number of tourist arrivals were recorded for 2023 thus far. Between January to July 2023, the state had registered 1.4 million international and domestic arrivals into Sabah which puts the state on track to achieving its target of receiving 2.2 million visitors by the end of 2023. The Kota Kinabalu City Hall (DBKK) has made a statement

Existing Supply of Hotels in Sabah (2019-1H 2023)

(Source: JPPH)



"POSITIVE SIGNS WERE SEEN FOR SABAH'S TOURISM SECTOR AS PROMISING NUMBER OF TOURIST ARRIVALS WERE RECORDED FOR 2023 THUS FAR. BETWEEN JANUARY TO JULY 2023, THE STATE HAD REGISTERED 1.4 MILLION INTERNATIONAL AND DOMESTIC ARRIVALS INTO SABAH"

that there is no ban on homestay businesses in Sabah. Provided that these establishments comply with the building plan approval or conditions set to carry out the business, DBKK are in support of developing a community-based tourism sector which includes homestays that are registered under the Ministry of Tourism, Arts and Culture.

Bringing in an injection of 400 new rooms into Sabah's hotel sector, the upcoming Club Med Borneo Kota Kinabalu will open its door to the public by end of 2024. The 17-hectare eco-friendly beachfront resort is located in Kuala Penyu and approximately 90 minutes by road from the Kota Kinabalu International Airport.

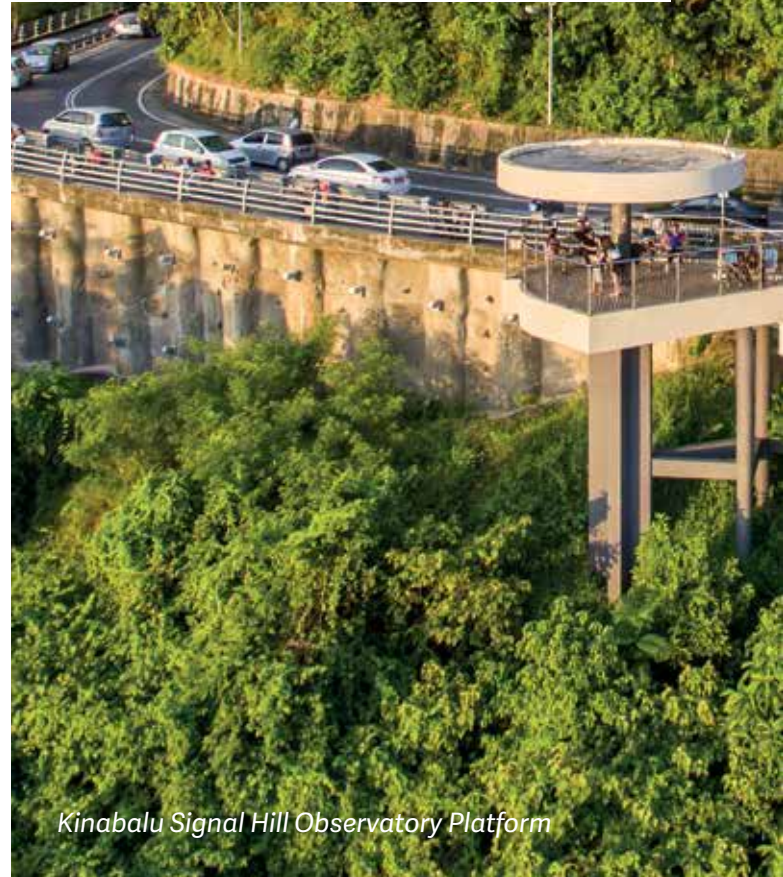
INDUSTRIAL

For the first 6 months of 2023, the industrial sector of Sabah proved to be a resilient sector with continuous upward growth since 2021's bottom point. Following a 22.0% rise in volume and 9.0% rise in value, 1H2023 recorded 211 transacted units worth RM311.14 million.

The transactions primarily involved vacant industrial plots (33.2%), terraced factory/warehouse (36.0%), semi-detached factory/warehouse (10.4%) and detached factory/warehouse (16.1%). 32.7% of the transactions were transacted at price tags above RM1 million.

1H2023 saw Sabah's industrial property stock to be at 6,325 units. 33.8% are located in Kota Kinabalu and another 22.3% in Tawau – both being the top two areas with strong industrial presence. Terraced and semi-detached types make up most of the stock, taking up 88.7% of the state's industrial stock share.

In the pipeline, 162 new industrial units are recorded to be under construction. The areas expecting these new injections include Kota Kinabalu, Lahad Datu, Papar and Tuaran. The incoming stock comprises of terraced, semi-detached and detached types.



Kinabalu Signal Hill Observatory Platform

Plans are in the making by the state government to propose two new industrial parks as the catalyst to the poorest districts in the country; one in Kimanis and the other in Kota Belud-Kota Marudu. It will likely take 6 months to formulate a masterplan and that more studies must be done despite having identified the areas for development. This move was in due part of the existing Kota Kinabalu Industrial Park and Sipitang Oil & Gas Industrial Park to almost reach full occupancy, limiting the number of potential investors and industrial players looking to make Sabah their next investment destination.

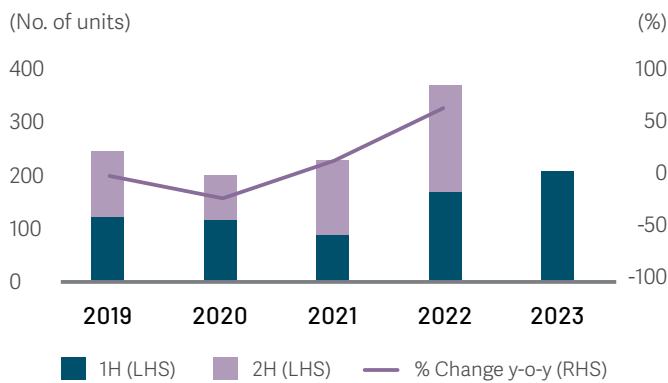


NOTABLE ANNOUNCEMENTS

- The Penampang Development Plan was unveiled in late 2023 and will be used as a government input for future federal and state government development plans, including the annual budget preparation. It is prepared by the Sabah Institute of Development Studies (IDS).
- Penampang will be seeing the construction of a Class 3 health clinic in 2024 after having faced some delays.
- Since the suspension of the iconic Jesselton Artisan Market (JAM) back in December 2022, the state government is actively in the works to revive the popular creative market.
- Sabah’s Ministry of Industrial Development and Entrepreneurship has revealed that the state has successfully achieved a total of RM9 billion in investments for the first half of 2023, already reaching 79% of 2022’s annual achievement of RM11.5 billion.
- A total of RM14 million have been allocated to the Sabah Cultural Board (LKNS) for Sabah’s cultural development; RM9.5 million by the state government and the remaining RM4.5 million by the federal government under the 12th Malaysia Plan.
- A total of 15 packages in Phase 1 of the Sabah Pan Borneo Highway project is scheduled for completion by end of 2024. Overall progress of the 15 packages have reached 79.1%. Of the total 35 packages in Phase 1, the remaining 20 packages are expected to begin by end of 2023.

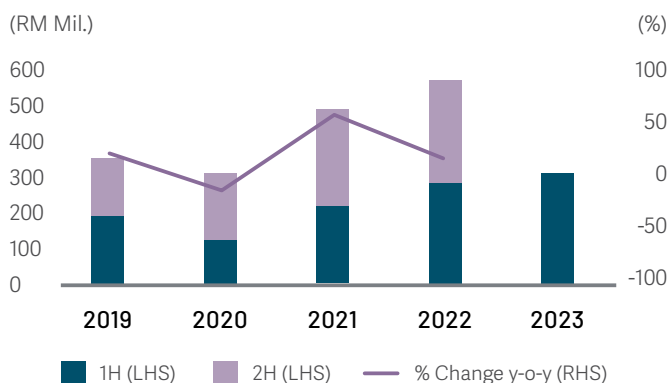
Volume of Industrial Property Transactions in Sabah (2019-1H 2023)

(Source: JPPH)



Value of Industrial Property Transactions in Sabah (2019-1H 2023)

(Source: JPPH)



GLOSSARY

For the purposes of this publication, except where the context otherwise requires, the following words and abbreviations shall have the following meaning:

1TH	Single storey terraced house
2TH	Double storey terraced house
1SD	Single storey semi-detached house
2SD	Double storey semi-detached house
1D	Single storey detached house
2D	Double storey detached house
1TF	Single storey terraced factory
2TF	Double storey terraced factory
1SF	Single storey semi-detached factory
2SF	Double storey semi-detached factory
1DF	Single storey detached factory
2DF	Double storey detached factory
1H/H1	First half
2H/H2	Second half
All House Price Index / AHPI	All House Price Index as published by JPPH in their publication entitled ' <i>Indeks Harga Rumah Malaysia</i> '
Apt	Apartment
BNM	Bank Negara Malaysia
Condo	Condominium
CPI	Consumer Price Index
DOSM	Department of Statistics Malaysia
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IHRM	Indeks Harga Rumah Malaysia / Malaysia House Price Index
JPPH	Jabatan Penilaian & Perkhidmatan Harta, Kementerian Kewangan Malaysia

Km²	Square kilometre
LHS	Left hand scale
Mil	Million
MOU	Memorandum of Understanding
MOA	Memorandum of Agreement
N/A	Not Available
NLA	Net lettable area
PBO	Purpose built office
Pop	Population
Psf	Per square foot
Psf pm	Per square foot per month
Q1/1Q	First quarter
Q2/2Q	Second quarter
Q3/3Q	Third quarter
Q4/4Q	Fourth quarter
q-o-q	Quarter on quarter
RHS	Right hand scale
RM	Ringgit Malaysia
S.Apt	Serviced apartment
sf	Square feet
SOFO	Small office flexible office
SOHO	Small office home office
SOVO	Small office versatile office
Sty	Storey
y-o-y	Year on year

EXPLANATORY NOTE

#1: Graphs on Residential Property Price Trends for each state are constructed based on selected sampling which may differ from the projects sampled for the graphs in previous issues. The sampling revision is based on a growing and evolving list of popular and established developments or schemes in the relevant towns with the intention of providing a general overview of the price trend movements. The new graph as presented in this publication overwrites/supersedes the graphs presented in the previous issue.

DIRECTORY OF OFFICES

KUALA LUMPUR (Head Office)

Level 17, Menara Liberty
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
T +(60 3) 2691 9922
F +(60 3) 2691 9992
E kl@rahim-co.com

Cheras

118-1, Jalan Cerdas,
Taman Connaught, 56000 Cheras
Kuala Lumpur
T +(60 3) 9100 5007
F +(60 3) 9100 5008
E cheras@rahim-co.com

Kepong

9-1 Jalan Rimbunan Raya 1
Laman Rimbunan, 52100 Kepong
Kuala Lumpur
T +(603) 6241 0840
F +(603) 6242 8444
E kepong@rahim-co.com

SELANGOR

Petaling Jaya

36A, 1st Floor, Jalan Yong Shook Lin
Seksyen 52, 46200 Petaling Jaya
Selangor
T +(60 3) 7957 9528
F +(60 3) 7956 5386
E pj@rahim-co.com

Klang

No 2, 3rd floor
Jalan Tiara 2A, Bandar Baru Klang
41150 Klang, Selangor
T +(60 3) 3344 7579
F +(60 3) 3344 7578
E klang@rahim-co.com

Subang Jaya

4th Floor, 3A – E, Jalan USJ 10/1A
UEP Subang Jaya
47610 Subang Jaya, Selangor
T + (603) 8081 0201
F + (603) 8081 9772
E subangjaya@rahim-co.com

JOHOR – Johor Bahru

Unit 19A, Level 19, Metropolis Tower
Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor
T +(60 7) 333 7166 / 7170
F +(60 7) 331 7201
E jb@rahim-co.com

KEDAH

Alor Setar

1st Floor, 1546 Jalan Sultan Badlishah
05000 Alor Setar, Kedah
T +(60 4) 732 0177 / 0178
F +(60 4) 732 0185
E as@rahim-co.com

Sungai Petani

108C, Jalan Pengkalan
Taman Pekan Baru
08000 Sungai Petani, Kedah
T +(60 4) 422 1619
F +(60 4) 422 1718
E sp@rahim-co.com

KELANTAN – Kota Bharu

3486-J/A, 1st Floor
Jalan Sultan Ibrahim
15050 Kota Bharu, Kelantan
T +(60 9) 748 1252
F +(60 9) 748 5824
E kb@rahim-co.com

MALACCA

351-C, Jalan Ong Kim Wee
75200 Melaka
T +(60 6) 284 8237 / 7286
F +(60 6) 283 0134
E malacca@rahim-co.com

NEGERI SEMBILAN – Seremban

124, Ground Floor
Jalan Dato' Bandar Tunggal
70000 Seremban, Negeri Sembilan
T +(60 6) 763 2492 / 764 8151
F +(60 6) 762 0796
E seremban@rahim-co.com

PAHANG

Kuantan

A51, 2nd Floor, Jalan Tun Ismail 1
Kuantan Perdana
25000 Kuantan, Pahang
T +(60 9) 513 6633
F +(60 9) 513 1575
E kuantan@rahim-co.com

Temerloh

19, 1st Floor, Jalan Ahmad Shah
Bandar Sri Semantan
28000 Temerloh, Pahang
T +(60 9) 296 5044
F +(60 9) 296 5642
E temerloh@rahim-co.com

PERAK – Ipoh

18, Persiaran Greenhill
30450 Ipoh, Perak
T +(60 5) 249 5586 / 5587 / 5588
F +(60 5) 249 5585
E ipoh@rahim-co.com

PERLIS – Kangar

No. 36, 1st Floor
Kompleks Perniagaan Pertiwi Indah
Jalan Kangar – Alor Setar
01000 Kangar, Perlis
T +(604) 970 5613
F +(604) 970 5614
E kangar@rahim-co.com

PULAU PINANG

Penang Island

Lot 10.01, Level 10, Menara KWSP
38 Jalan Sultan Ahmad Shah
10050 Penang
T +(60 4) 229 9913 / 229 9013
F +(60 4) 227 3326
E penang@rahim-co.com

Butterworth

No 73-1, Jalan Todak 6
Pusat Komersial Sunway Perdana
13700 Seberang Jaya, Penang
T +(604) 384 2036 / 2096
F +(604) 384 2001
E butterworth@rahim-co.com

TERENGGANU

Kuala Terengganu

PT 4037 (1), 1st Floor
Perkedaian Ladang Tok Pelam
Jalan Sultan Zainal Abidin
20000 Kuala Terengganu, Terengganu
T +(60 9) 622 7508
F +(60 9) 623 5126
E kt@rahim-co.com

Kemaman

KCP 52 Level 1, Centre Point Fasa 2
Jalan Lebai Saras
24000 Cukai Kemaman, Terengganu
T +(60 9) 859 3887 / 1887
F +(60 9) 859 6887
E kemaman@rahim-co.com

SABAH

Kota Kinabalu

Unit C-04-03 & C-04-04
4th Floor Block C, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu, Sabah
T +(60 88) 484 995 / 996
F +(60 88) 484 997
E kk@rahim-co.com

Tawau

TB 4422, Lot 13, 2nd Floor
Sabindo Square, Jalan Dunlop
91000 Tawau, Sabah
T + (60 89) 747 085 / 086
F + (60 89) 747 087
E tawau@rahim-co.com

SARAWAK – Kuching

2nd Floor, 14 Jalan Kulas 1
Lot 373 Section 11
93400 Kuching, Sarawak
T +(60 82) 235 998 / 236 998
F +(60 82) 237 998
E kuching@rahim-co.com



Rahim & Co Research Sdn Bhd

Reg. No: 199001008566 (200137 – X)

Level 17, Menara Liberty
1008 Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

T +(603) 2691 9922

F +(603) 2691 9992

E research@rahim-co.com

www.rahim-co.com