

PROPERTY MARKET  
REVIEW

2022 / 2023

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# Foreword

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



The year 2022 saw a much-needed rebound of the economy and property sectors as the country transitioned out of the unprecedented pandemic and into endemicity – but not without its own struggles. Although transaction numbers and economic indicators improved, the sentiment amongst developers, investors and homebuyers remained cautious due to the anticipated headwinds. With inflationary pressure though expected to gradually ease, the tight monetary policy, the Russian-Ukraine tension, the expected slowdown in China & Europe, the disrupted global supply chain and rising cost of living concerns persisted to subdue expectations. Later in the year, Malaysia had to witness a dramatic week after the 15th General Election to see the swearing in of the country's 10th Prime Minister under a new political landscape of a unity government.

Despite the eventful past year and the lingering economic uncertainties, most of the states in the country have captured higher property transaction numbers that surpassed the first 9 months of 2019, i.e., an indicator of pre-pandemic performance. This is by no means signify a full recovery, but a resumption of the rebounding trend that started in 2018/2019 but was severely interrupted in the pandemic and lockdown-laden 2020/2021 as well as with the political uncertainties in the country. With the reopening of the economy and international borders, demand for properties were reinvigorated as crowds return to physical spaces and activities, hence reviving some degree of confidence in the market.

For the residential sector, housing affordability stayed on the forefront of issues alongside the overhang and buy-or-rent dilemma. Homes priced below RM300,000 continue to dominate the transaction market. Various incentives and financial-aid schemes are provided to help ease the financial burden of first-time homebuyers and further stimulate transaction activities. However, concerns on overhang numbers remained as new supply influx continued, even for the affordably priced units.

In making Malaysia as one of the top second home and investment destination in the region, the Malaysia My 2nd Home (MM2H) programme was reintroduced but was flaked as it needed further refinements to be more friendly

to foreign investors. There was also the new Premium Visa Programme (PVIP) supplementing the draw for affluent individuals to the country.

For the commercial sector, office buildings and shopping malls saw the return of workers, tenants and customers back to physical spaces with the lifting of Covid-19 SOP measures. The rise of hybrid working arrangements had pushed developers and building owners to be more creative in crafting an office environment that promotes flexibility, inclusivity and sustainability, while evolution in consumer behaviour that is fuelled by the digital lifestyle and e-commerce compelled retail spaces to focus on customers' retail experience. The oversupply concern still lingers though, asserting property owners and developers to be more innovative and imaginative with their retail spaces.

The industrial sector saw encouraging investment flows driven by the rise of logistics and e-commerce, as well as stabilising demand for exports. Despite budding concerns in fear of fiercer competition amongst new and planned industrial launches, the sector's forecasted performance is expected to see some divergence based on selective niche. Specialised industrial property such as Data Centre for example, is emerging as the growth in e-commerce requires heavier data and cloud storage expansions.

In keeping our clients and the public informed of the property market, this year's issue of Rahim & Co's Property Market Review 2022/2023 will provide readers with some insight to the performance and happenings of the various property sectors nationwide. As the market prepares for what is to come in the following 12 months, we hope this issue will assist our readers in making the right decisions amidst the uncertain market conditions that lie ahead. I hope this publication will paint a clearer picture of the market and should you need to know more, I invite you to reach out to any of our 23 offices across Malaysia.

I wish you a prosperous year ahead and a fruitful read.

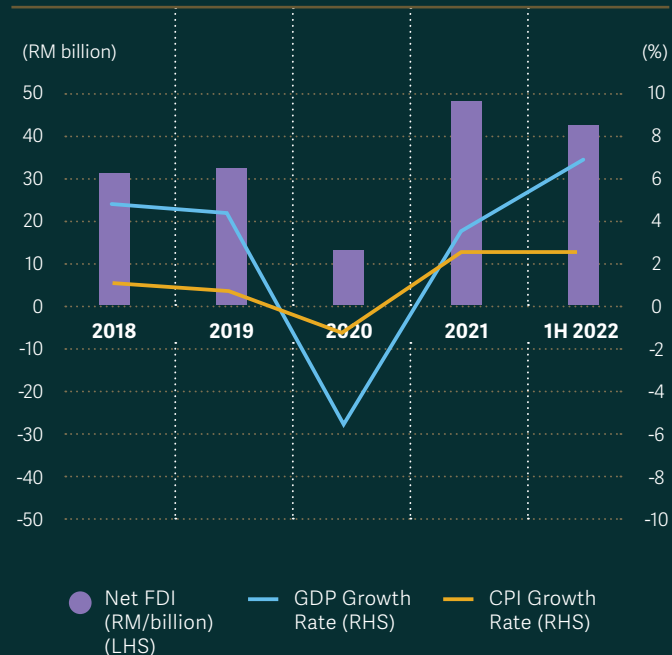
**Tan Sri Dato' (Dr) Abdul Rahim Abdul Rahman**

# Property Market Snapshot

## KEY ECONOMIC INDICATORS

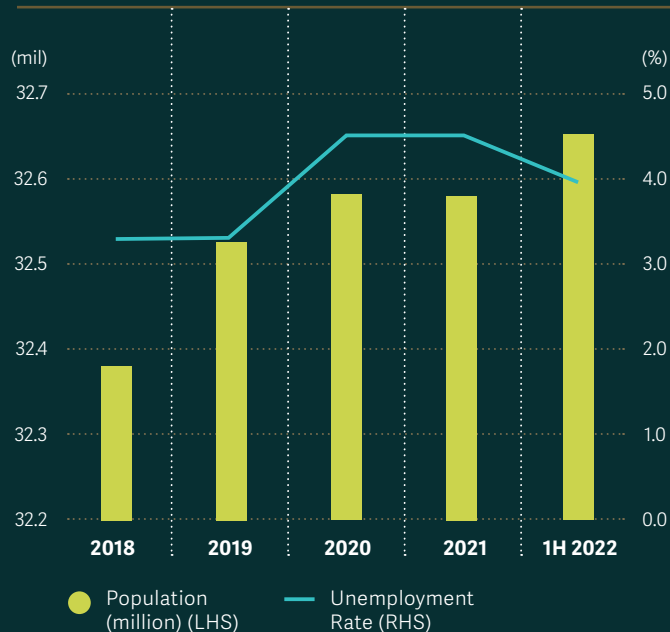
GDP & CPI Growth Rate and Net FDI  
(2018 - 1H 2022)

(Source: DOSM)



Population & Unemployment Rate  
(2018 - 1H 2022)

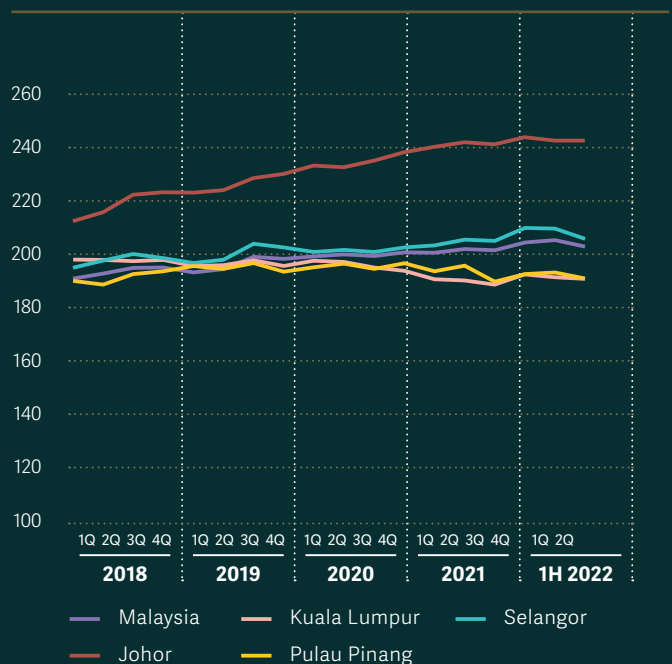
(Source: DOSM)



## KEY PROPERTY MARKET INDICATORS

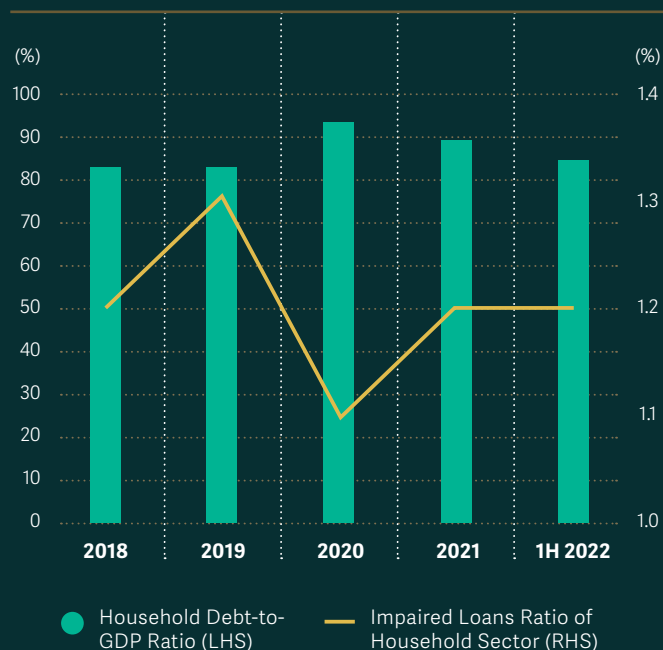
Quarterly House Price Index  
(2018 - 2Q 2022)

(Source: IHRM, JPPH)



Household Debt-to-GDP Ratio & Impaired Loans  
Ratio of Household Sector (2018-1H2022)

(Source: BNM)



## Malaysia



26.3%



-0.8%



-0.9%



49.5%

### 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  
1H2021 to 1H2022

# Transaction Activity Snapshot

## Northern Region



### Perlis

27.0%

0.0%

-6.8%

200.0%

### Kedah

9.9%

-0.6%

1.5%

273.3%

### Pulau Pinang

37.8%

0.6%

-0.7%

10.5%

### Perak

35.9%

0.7%

-8.1%

83.1%

## Central Region



### Kuala Lumpur

28.4%

-2.2%

0.0%

113.5%

### Selangor

16.0%

1.0%

-1.1%

33.2%

### Negeri Sembilan

42.1%

-0.2%

0.8%

73.6%

## Southern Region



### Melaka

11.2%

3.3%

-0.8%

15.9%

### Johor

20.2%

-1.0%

-1.2%

57.0%

## East Coast Region



### Kelantan

38.1%

0.0%

0.5%

157.1%

### Terengganu

46.0%

-0.1%

0.3%

112.5%

### Pahang

28.9%

-0.4%

-0.3%

20.8%

## East Malaysia Region



### Sarawak

31.5%

0.2%

1.6%

19.2%

### Sabah

29.3%

-0.2%

-2.3%

88.0%

## Malaysia



32.2%



28.3%



66.0%

## Legend



## Residential

Transaction Volume Change



## Commercial

Transaction Volume Change



## Industrial

Transaction Volume Change

Increase

Stable

Decrease



Note: Changes recorded based on  
1H2021 to 1H2022

# Transaction Value Snapshot

## Northern Region



## Perlis

31.5%



27.2%



342.5%

## Kedah

7.6%

103.8%

531.4%

## Pulau Pinang

42.5%

22.3%

27.6%

## Perak

37.5%

56.7%

24.1%

## Central Region



## Kuala Lumpur

58.1%



7.0%



308.1%

## Selangor

21.6%

39.7%

48.4%

## Negeri Sembilan

55.2%

0.5%

62.7%

## Southern Region



## Melaka

26.6%

35.3%

84.3%

## Johor

25.7%

47.4%

135.8%

## East Coast Region



## Kelantan

37.2%

-33.6%

311.3%

## Terengganu

42.6%

59.2%

318.6%

## Pahang

31.4%

44.7%

63.3%

## East Malaysia Region



## Sarawak

31.2%

-18.3%

-0.1%

## Sabah

24.5%

13.7%

31.5%





# 2022 in Review & the Year Ahead

The year 2022 began with the continued expectations for a recovery that was initially hoped for in 2021. Though 2021 may have fallen short with the resurgence of Covid-19 waves and more lockdowns, it marked the beginning of a successful vaccination program which led to the reignition of the economy and gradual reopening of international borders. Coupled with the stabilising conditions globally in respect to the management of the pandemic and the responding GDP growth, 2022 unfolded a better year for the economy amidst a challenging environment still.

The GDP forecast for both global and Malaysia underwent several revisions over the year in response to the shifts happening on the economic front. Issues including the rising cost of living, tightening financial conditions by central banks, the Russian-Ukraine conflict and lingering pandemic disruptions added weight to 2022 and 2023's outlook. The Ministry of Finance (MOF) expects 2022 GDP to grow between 6.5% - 7% whilst Bank Negara Malaysia (BNM) maintained its slightly lower forecast of 5.3% - 6.3%. The same expectations are also reflected by both the World Bank and the International Monetary Fund (IMF) of whom forecasted Malaysia to perform at 6.4% and 5.4% respectively.

Albeit signs of an encroaching global recession underway, 2022's optimistic outlook is supported by the strong domestic demand, robust sectoral performance and improving labour market conditions. Between 1Q2022 to 3Q2022, unemployment rate consistently declined from

4.1% to 3.7%, slowly closing the gap to pre-pandemic levels (4Q2019: 3.2%). Both the Business Confidence Index (BCI) and Consumer Sentiment Index (CSI) displayed more stable movements for 2022 as businesses and consumers cautiously returned back to normal.

On the property front, higher growth in transaction activities showed similar sentiments as 1H2022 recorded a higher growth at 34.5% in transaction activities in comparison to 1H2021's growth of 21.0%. Total transaction value too saw a bigger growth of 36.1%. Thus, bringing 1H2022's property market performance to 188,002 transactions worth RM84.4 billion. The improving trend sustained to the third quarter of the year. At time of print, the latest data on property transaction performance for the first 9 months of 2022 continued the growth momentum where the transaction volume increased further to 45.8% with a lower but still growing transaction value of 33.7%. Nevertheless, this is by no means signify a full recovery, but a resumption of the rebounding trend that started in 2018/2019 but was severely interrupted in the pandemic and lockdown-laden 2020/2021 as well as the political and economic uncertainties in the country.

Although the numbers were showing encouraging signs, the market's sentiment is still cautious – dampened by the rising inflation, cost of living and interest rates. After having stayed at a historic low of 1.75% since July 2020, BNM had decided to gradually increase the Overnight Policy Rate (OPR) as inflationary pressure perfuse the

market in the post-pandemic environment. Starting with the first increase on 11th May 2022, the year saw four consecutive increases with the latest being 3rd November 2022, ending at 2.75%. Though some pressures are felt from this trend, it is still lower in comparison to pre-pandemic times where OPR had maintained at 3.25% for the whole of 2018 and early 2019. From the perspective of property developers, the challenge of high construction cost and foreign labour shortage continued, causing some delays to construction pace and new launches for 2022. REHDA had estimated construction cost to rise by 19% on average for the year which renders cost-push pricing to continue. While economies and livelihoods are on their way to normalisation, supply disruption and high commodity prices as a result of the Russian-Ukraine conflict and China's zero-Covid policy continue to linger.

The Home Ownership Campaign (HOC) that came to an end on 31st December 2021 was later replaced with the Malaysian Home Ownership Initiative (i-MILIKI) which provides full stamp duty exemptions for eligible first-time homebuyers looking to purchase primary homes of up to RM500,000. For those who are looking at houses above RM500,000 up to RM1 million, the stamp duty exemption is still available but at a lesser percentage of 50%. Announced in July 2022, i-MILIKI will run from 1 June 2022 to 31 December 2023. Just as with the HOC, i-MILIKI aims to help reduce the financial burden faced by first-time homebuyers. Coupled with the RPGT exemption for individual owners disposing on 6th year of purchase onwards, the residential sector is expected to be stable in the coming months, with a gradual growth expected. Hopes are held for Budget 2023 to have effective property goodies with the formation of a new Government post-GE15.

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“For the commercial sector, the challenges and hurdles lie in meeting the needs and preferences of today’s consumers and occupiers whose lifestyle have evolved with the digital and e-commerce trend that was accelerated by the pandemic.”

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Being the largest sector of the property market, the residential sector saw continued positive growth in transaction performance. 1H2022 recorded an increase of 26.3% in volume and 32.2% in value; 116,178 residential units transacted at RM45.6 billion. The growth continued in the 3rd quarter of the year where the overall first 9 months of 2022 recorded a growth of 34.6% and 35.0% in residential transaction volume and value. By volume, residential sector contributed 61.8% of total transaction nationwide. Of the transactions, primary sales are still in minority at 18.5% with the remaining being secondary sales. With the added complexity of rising prices and economic uncertainty, developers have taken a passive approach in new launches.

For the commercial sector, the challenges and hurdles lie in meeting the needs and preferences of today's consumers and occupiers whose lifestyle have evolved with the digital and e-commerce trend that was accelerated by the pandemic. Be it for office buildings or shopping malls, keeping up with the latest trend in spatial design, aesthetic style and geographical convenience had pushed developers and building owners to be more innovative. We observe building owners have initiated or at least beginning to plan to refurbish and even repurpose their assets to maintain relevance and attractiveness to their target markets. Interests in exercises such as Asset Enhancement Initiatives have been growing.



On the retail segment, Klang Valley holds 76.2 million sqft of shopping mall space which accounts for 40.8% of the country's total shopping mall space. As at 1H2022, Klang Valley's occupancy rate marginally decreased to 79.5% from 80.1% in 1H2021 despite concerns on supply grossly surpassing demand. Malaysia as a whole, in spite of seeing an increase of 4.6 million sqft. over the 12 months between 1H2022 and 1H2021, saw its occupancy rate stabilising at 75.7% with a small 0.9% fall. But this may change as the market is currently looking at 16.8 million sqft of new shopping mall space in the pipeline across most states. The top 3 states by incoming supply are Selangor, Kuala Lumpur and Penang.

With supply still facing occupancy pressure, demand by consumers were normalising for most of the year despite rising inflation. The retraction of social distancing and limited physical gathering restrictions gave a push to shoppers to return back to their malls of choice. Retail Group Malaysia (RGM) reported higher-than-expected retail sales growth in 2Q2022 at 62.5% and revised the 3Q2022 forecast upwards to 50.0%. But despite seeing the highs, RGM has toned down the 4Q2022 forecast to just 1.0% as they anticipate the trickling-down effect of rising inflation, increasing interest rates and forecasted global recession in 2023 to the consumers.

The office market continues to face a saturated environment of high supply against a stagnant rental demand. This is especially for Kuala Lumpur and Selangor as both combined bears a total of 154.2 million sqft. of office space; 59.3% of the country's total stock. As demand remains behind supply, the injection of 3.7 million sqft. in new office supply within the 12 months has resulted in occupancy rate to fall further for Klang Valley, from 72.1% in 1H2021 to 70.9% in 1H2022. This leaves approximately 44.8 million sqft of vacant space currently sitting idle in the market.

But the persisting gloom is not a blanket situation for all as certain areas are more in demand than others. For office buildings located on the fringe, lesser traffic congestion and public transportation access adds further appeal in comparison to those within city centre. The evolving remote and hybrid-work landscape and preference also has its impact to the type of need and preference current tenants have.

Though office workers have gradually returned back to physical offices, they have also returned with a new set of expectations to complement the rising practice of hybrid-working. As companies are now competing against the comforts of home in attracting employees back to the office, the next best strategy is to incorporate certain elements of home into the office and making the overall working experience to be healthier and more accommodating. As the data behind workplace is now put under the microscope, occupiers are viewing office spaces be more than just an arrangement of cubicles and desks, leaning ever more to visually appealing, collaborative, multi-functional and inclusive spatial designs. For building owners, asset enhancement initiatives and flexible leasing packages continue to be the way of retaining and adding tenants within a highly competitive market.

The hotel sector, being the hardest hit segment during the pandemic, is anticipated to take a longer period as compared to the other sectors to regain itself to pre-pandemic levels. However, the sector has been picking up well saved by its lag in supply growth. Although facing difficulties in terms of labour force, rebound in tourism activities has boded well for the sector. Sustained by domestic tourism during the international travel restriction periods, the opening of international borders in April 2022 had augured well for the sector, coupled with the International Travel Bubble programme like the one in Langkawi in November 2021. This was supported further with the resumption of pre-pandemic airline services. Tourist arrivals for the year had been revised upwards to 9.2 million backed by positive recovery signs.

On the industrial sector, the overall transaction performance maintained its positive growth as Malaysia saw an increase of 49.5% in volume and 66.0% in value as at 1H2022, registering 3,830 industrial transactions worth RM10.8 billion. Prospect is encouraging as the country achieved a total net FDI inflow of RM54 billion for the first nine months of 2022 in comparison to 2021's RM29.7 billion (within the same period). This has also surpassed 2021's full year total of RM48.1 billion, with the services and manufacturing sectors being the main contributor of the net FDI flows.



The logistics sub-sector continued to be in the spotlight as new supply have entered the market to meet the contemporary needs of current and future logistic players. With the provision and supply of sophisticated facilities, modern infrastructure and a supportive business ecosystem, Malaysia is in the right position to establish itself as a regional logistics hub. Further complementing this shift is the emergence of modern, built-to-suit facilities and multi-storey warehouses equipped with ESG features – keeping to the demand of global industrial players and investors. The rise in supply of such industrial spaces will then satisfy the pent-up demand of new foreign and local interests. Nevertheless, concerns for the sector have slowly crept in especially for new industrial estate developers in fear of fiercer competition amongst new and planned industrial launches.

Looking into new trends in the market, the Environmental, Social & Governance (ESG) movement is making headway in influencing the next way of doing business. As real estate is estimated to contribute approximately 40% of global carbon emissions, building green will play a major role in abating the climate crisis and a key priority for future investments. On 26th September 2022, Bursa Malaysia made its move as one of the leading institutions endorsing the ESG movement with the introduction of enhanced sustainability reporting requirements for public listed companies' listing on the Main Market and ACE Market. While such initiatives may still be in its infancy stage for Malaysia's real estate scene, such appetite amongst investors is growing and developers will need to be onboard the sustainability train in order to be relevant in the eyes of future investors and occupiers.

To round it up, 2022 proved to be yet another eventful year that was filled with more positive progress than setbacks. With the end of the pandemic for Malaysia, both the economy and the Rakyat are able to finally move past unprecedented times (or beginning to). With the formation of a new government and the appointment of a new Prime Minister following a long week post-GE15, we can anticipate new and old visions to be re-engaged for a better and unified Malaysia. Eyes are now on the re-tableting of Budget 2023 for what goodies it may offer for the property market.

This is ever more important as many are forecasting a potential global recession in 2023 amidst influential headwinds and geopolitical tensions. Both the IMF and World Bank forecasted a lower 4.4% and 4.2% respectively in GDP growth for 2023, shadowing a slowdown from 2022's upward trend. As economists have varying opinions on the degree of impact to Malaysia, global headwinds will test the resilience of country's economy and domestic markets. The Ministry of Finance foresees 2023 to slowdown to between 4% and 5% against the backdrop of softening world economic growth and trade activities due to inflationary pressure, tightening financial conditions, supply-chain strains and geopolitical fragmentation.

With policies and strategic development roadmaps in place as well as the potential catalytic impact of major infrastructure developments that should be continued, optimism underpinned by stronger economic pillars and a reignited demand driver is hoped for the country. Although the market is expected to remain cautious amidst the anticipated economic headwinds, we expect the Malaysian property sector to be stable, aligning to the path of gradual recovery.



An aerial photograph of a tropical coastline. The foreground is dominated by a dense, lush green forest that stretches down to a sandy beach. To the right of the beach, a small town or village is visible, featuring several buildings, including a prominent white multi-story structure. Further back, the land rises into rolling hills covered in more forest. In the distance, the sea is visible with several small islands or peninsulas. The sky is filled with soft, white clouds. The overall scene is serene and picturesque, showcasing natural beauty and coastal development.

# NORTHERN Region

*Pantai Kok Bay, Langkawi, Kedah*



An aerial photograph of a tropical bay, likely in Malaysia, showing numerous sailboats anchored in the turquoise water. The coastline is lush with green forest, and a small white lighthouse is visible on a peninsula. In the background, there are misty mountains under a cloudy sky. A large blue rectangular overlay covers the left and bottom portions of the image, containing a list of states.

Perlis

Kedah

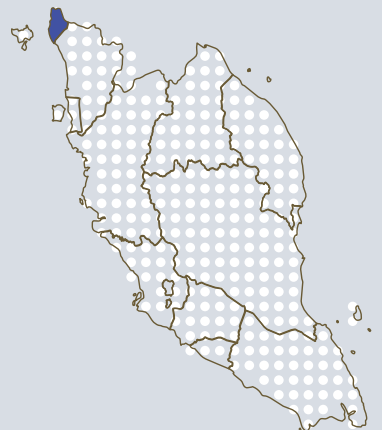
Pulau Pinang

Perak

# Perlis



Al Hussain Mosque, Kuala Perlis



Capital: Kangar

Est. Population: 289,800

Area (km<sup>2</sup>): 816

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	26,777 units	↑ 1.3% y-o-y
Transaction Volume	555 units	↑ 27.0% y-o-y
Transaction Value	RM132.11 mil.	↑ 31.5% y-o-y

### Retail

Supply	0.61 mil. sf	↑ 1.0% y-o-y
Occupancy Rate	81.6%	↓ 6.8% y-o-y
Rental	Prime: RM0.50psf – RM13.90psf	

### Shop Office

Supply	5,707 units	↑ 1.2% y-o-y
Transaction Volume	61 units	↑ 69.4% y-o-y
Transaction Value	RM32.57 mil.	↑ 46.3% 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	9 units	↑ 200.0% y-o-y
Transaction Value	RM4.78 mil.	↑ 342.5% y-o-y

(Source: Rahim & Co Research, JPPH)



## Residential

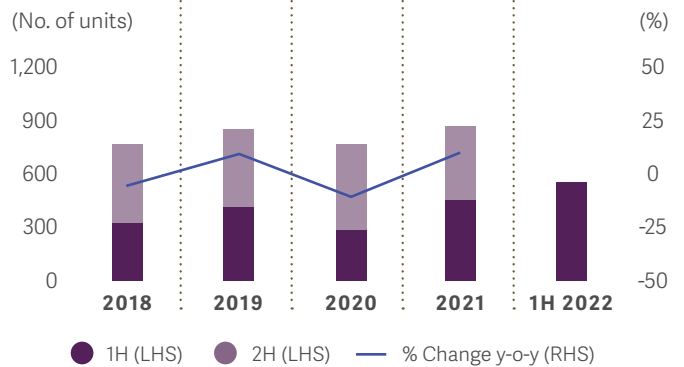
As at 1H2022, the existing supply of residential units for Perlis stood at 26,777 units and were predominantly made up of landed properties (91.2%). Low-cost houses and 1-sty terraced houses make up 37.5% and 29.7% respectively of the total landed properties. In the high-rise segment, condominiums/apartments and flats made up 8.8% of the total units. District of Titi Tinggi recorded the highest existing stock of condominiums/apartments whilst Kuala Perlis, Sena and Wang Bintong accounted for most of the low-cost flats.

In 1H2022, overhang stock for Perlis saw a reduction to 47 units worth RM9.22 million from 67 units worth RM13.30 million in 2021. These overhang units are spread almost equally in the 1-sty semi-detached and low-cost houses. Majority of the unsold completed 1-sty semi-detached were priced between RM400,001 to RM500,000. A future supply of 1,496 units of residential properties is expected in the near term. Of these, 48.3% are terraced houses, 25.1% are low-cost houses and 24.3% are semi-detached houses.

On the transaction front, the market continued the positive growth witnessed in 1H2021. The transactions recorded a rise of 27.0% in volume (1H2022: 555) and 31.5% (1H2022: RM132.11 million) in value. In 1H2021, the

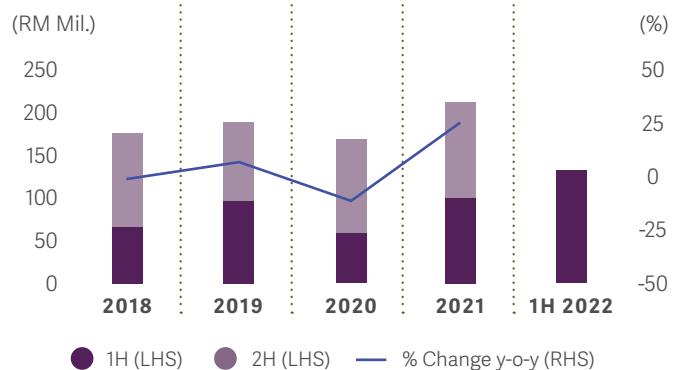
### Volume of Residential Property Transactions in Perlis (2018-1H 2022)

(Source: JPPH)



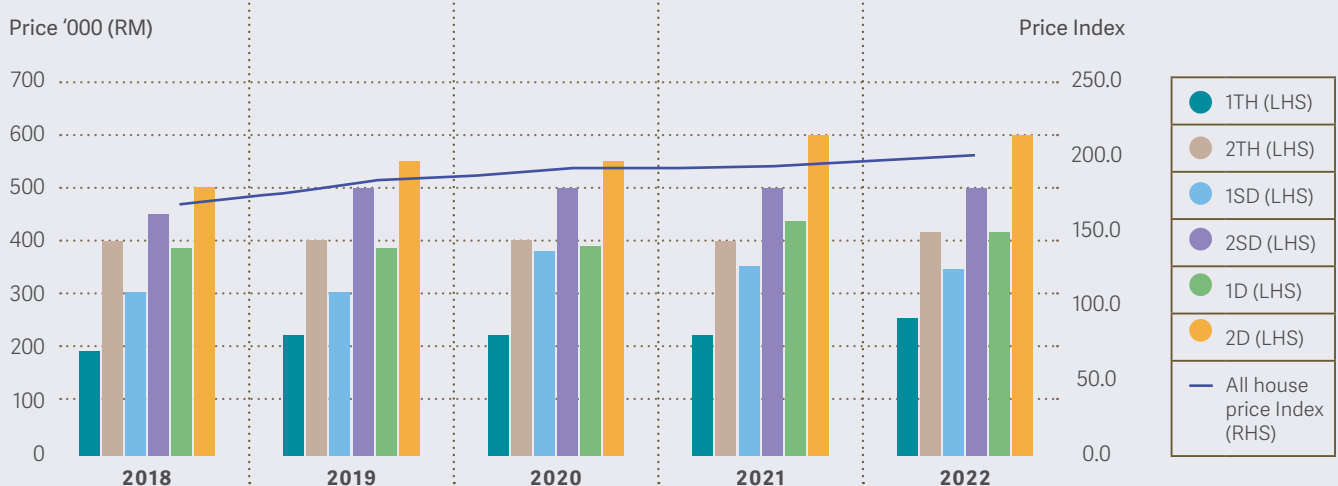
### Value of Residential Property Transactions in Perlis (2018-1H 2022)

(Source: JPPH)



### Kangar Residential Property Price Trend & House Price Index (2018-2022)

(Source: Rahim &amp; Co Research, IHRM)



### Selected Upcoming Residential Properties in Perlis

(Source: Rahim &amp; 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 RM78,000	
		1-sty Semi-Detached	54	From RM368,000	

rise was much higher by 50.7% (1H2021: 437) and 69.8% (1H2021: RM206.37) respectively, showing a rebound from the impact of the Covid-19 pandemic. However, growth in market activities in 1H2022 had slowed down. The good news is that the figures are still higher than the pre-Covid year 2019 and is anticipated to continue to regain momentum.

## Retail

The total retail space supply as at 1H2022 remained unchanged at 607,311 sf from the previous year. There is another 172,035 sf of new retail space in the pipeline where 50% of the incoming space is located in Kangar while the rest in Padang Besar.

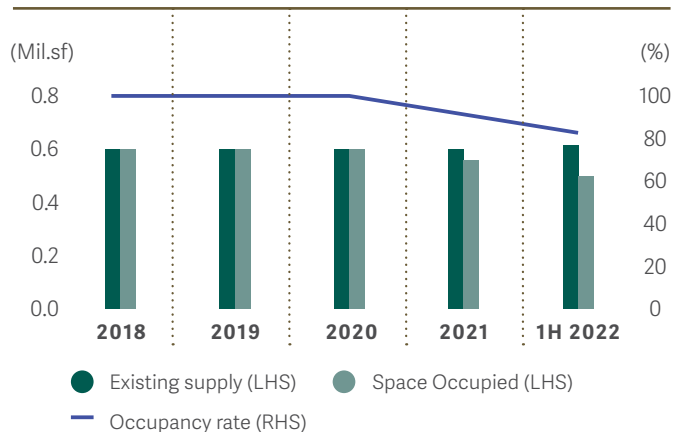
Among the major incoming supply announced, the Kangar City Centre (KCC) project by Perlis State Economic Development Corp and Safuan Group, has been quiet since its ground-breaking ceremony back in 2017. K-Parc Shopping Mall in Kangar by UDA Holdings Bhd, on the other hand, has been structurally completed in 2022 but is yet to be opened to the public. It is in the process

of securing tenants. Padang Besar Pavilion by PZS Development Sdn Bhd with an initial completion date of Q4 2021 was still under construction in 2022.

With the additional supply in 2021, the occupancy rate dropped to 92%, from a strong 100% occupancy maintained over the past few years. In 1H2022, it dropped further to 82% despite no new completion.

### Existing Supply & Occupancy Rate of Retail Spaces in Perlis (2018-1H 2022)

(Source: JPPH)

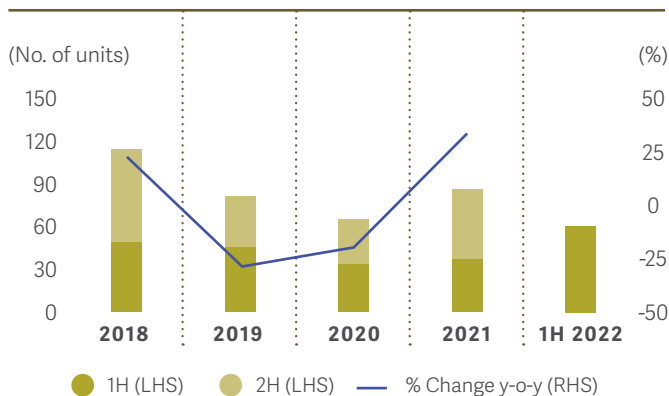


## Shop Office

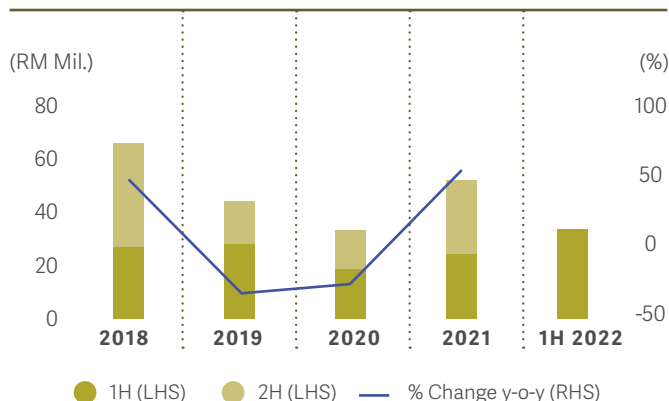
As at 1H2022, shop-office transaction activities in Perlis saw a tremendous growth of 69.4% in volume and 46.3% in value compared to 1H2021. This is a much better performance even compared to the pre-Covid year 2019. A total of 69 transactions worth RM32.6million were recorded in 1H2022 as compared to 46 units worth RM28.1million in 1H2019. The outlook for the sector remains positive as shop-office transactions in Perlis has rebounded well from the pandemic effect.

Two storey shop-office were the most transacted at 43 units out of the total 60 shop-office transactions. The price brackets of these transacted 2-storey units are mostly RM600,001 to RM700,000 followed by RM400,001 to 500,000. The 1-storey and 3-storey units have almost equal number of transactions where the 3-storey units could reach up to above the RM1.0 million price range.

**Volume of Shop Office Property Transactions in Perlis (2018-1H 2022)** (Source: JPPH)



**Value of Shop Office Property Transactions in Perlis (2018-1H 2022)** (Source: JPPH)

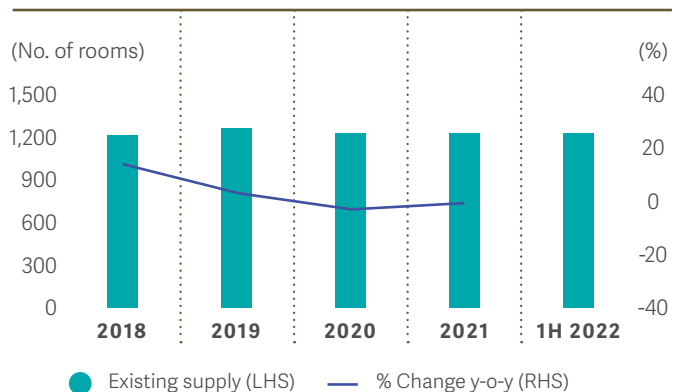


On the supply side, numbers have moved up to 5,744 in 1H2022 from 5,718 in 2021. The 2-storey units accounted for the biggest portion of the existing stock continued by the 1-storey and 3-storey units. The majority of the shop offices were sited in Kangar. As at 1H2022, Perlis was expecting to receive another 309 shop offices in the coming years where 66.7% of these are the 2-storey units. Kangar is to receive only 10.7% of these new supply.

## Hotel

Since 2020, 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 were no 5-star rated hotels in Perlis. Almost all of the existing supply are city hotels and only two beach hotels. There will be 2 more hotels with 120 rooms to enter Perlis in the near future.

**Existing Supply of Hotels in Perlis (2018-1H 2022)** (Source: JPPH)



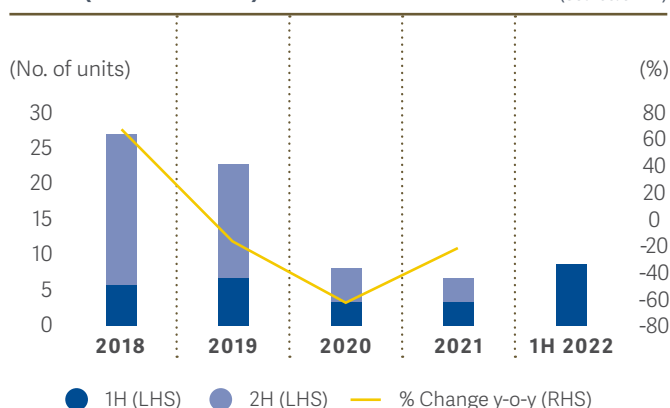
## Industrial

The industrial sector transaction activities in the state had recovered to pre-pandemic levels in 1H2022, mainly due to the low base effect. It recorded a higher transaction volume of 9 units worth RM4.78 million from 7 units worth RM1.55 million in 2019 (pre-Covid).

On the supply side, the existing stock remains unchanged at 296 units with most being terraced, semi-detached and detached units. There were 30 new units in the pipeline as of 1H2022, mainly in the Seriap district. Existing industrial units were largely concentrated within the districts of Seriap, Kuala Perlis, Titi Tinggi and Jejawi.

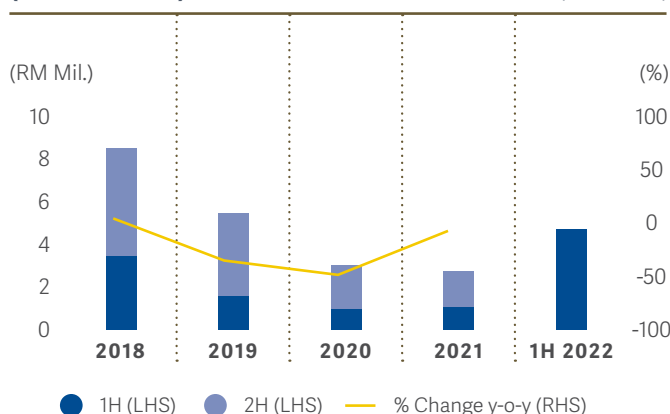
### Volume of Industrial Property Transactions in Perlis (2018-1H 2022)

(Source: JPPH)



### Value of Industrial Property Transactions in Perlis (2018-1H 2022)

(Source: JPPH)



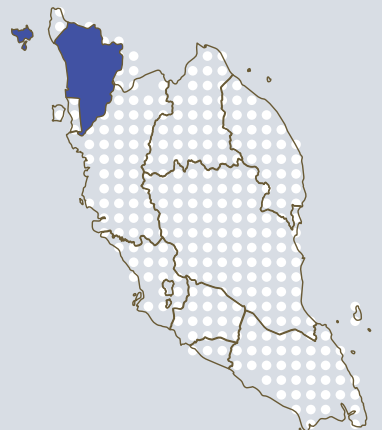
## Notable Announcements

- The development of Perlis Inland Port (PIP) at Chuping Valley Industrial Area (CVIA) was officially launched in March 2022 by HRH Raja Perlis Tuanku Syed Sirajuddin Putra Jamalullail. PIP and CVIA are catalytic projects that are set to massively boost the economy and development of the state, particularly the industrial and logistic sectors, aiming to achieve Perlis City Status by 2030.
- Encorp Bhd has signed a joint-venture (JV) agreement with FELDA to rehabilitate and complete the partially developed residential development in Chuping on a 46-acre land comprising 224 residential units and 17 commercial units (Phase 1) and 13 commercial lots, 270 low to medium cost residential units, a petrol station and recreational area (Phase 2).

# Kedah Darul Aman



Eagle Square, Langkawi



Capital: Alor Setar

Est. Population: 2,170,900

Area (km<sup>2</sup>): 9,492

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	344,254 units	↑ 0.7% y-o-y
Transaction Volume	6,203 units	↑ 9.9% y-o-y
Transaction Value	RM1,582.89 mil.	↑ 7.6% y-o-y

### Retail

Supply	6.37 mil. sf	↑ 1.7% y-o-y
Occupancy Rate	73.1%	↓ 1.5% y-o-y
Rental	Prime: RM 3.60psf – RM18.70psf	

### Shop Office

Supply	30,967 units	↑ 0.3% y-o-y
Transaction Volume	497 units	↑ 47.5% y-o-y
Transaction Value	RM219.14 mil.	↑ 48.9% y-o-y

### Hotel

Existing Supply	13,251 rooms	↑ 0.7% y-o-y
Incoming Supply	539 rooms	

### Industrial

Supply	3,869 units	↑ 0.3% y-o-y
Transaction Volume	321 units	↑ 273.3% y-o-y
Transaction Value	RM512.36 mil.	↑ 531.4% y-o-y

(Source: Rahim & Co Research, JPPH)



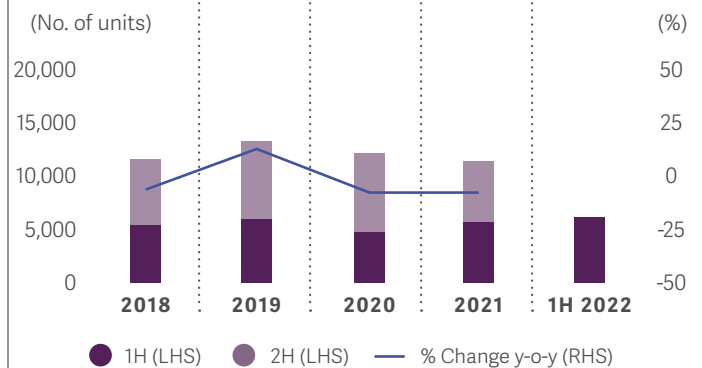
## Residential

Kedah's residential sector grew at a slower pace in 1H2022 where it expanded at only 9.9%, as compared to 14.5% y-o-y growth in 1H2021. The total value of transactions increased by 7.6% to RM1,582.89 million for 6,203 units in 1H2022 from a 30.0% hike experienced in 1H2021. The residential sub-sector had in recent years showed an unstable trend in both transaction volume and value with some periods registered negative growth.

The existing supply of Kedah's residential properties grew by only 0.7% in 1H2022 to 344,254 from 1H2021. No movement of stock was seen for the serviced apartments and SOHO units from 701 units in 1H2021. The largest supply of existing residential supply was in the district of Kuala Muda, followed by Kota Setar and Kulim at almost equal distribution. Landed homes accounted for approximately 97.4% of the total residential stock in Kedah, with the highest amount being terraced houses at 128,292 units. Amongst the terraced houses, single-storey houses made up the majority with a share of 71.3% of total terraced units. Single-storey semi-detached houses made up 17.2% of total residential stock and 8.0% were detached houses. The high-rise residential stock stood at 11,414 units as of 1H2022 and these include the low-cost units at 65.4% share and condominiums/apartments at 23.3% share of the high-rise stock.

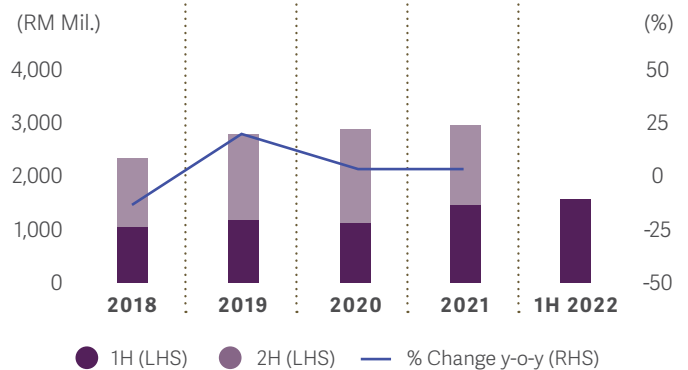
### Volume of Residential Property Transactions in Kedah (2018-1H 2022)

(Source: JPPH)



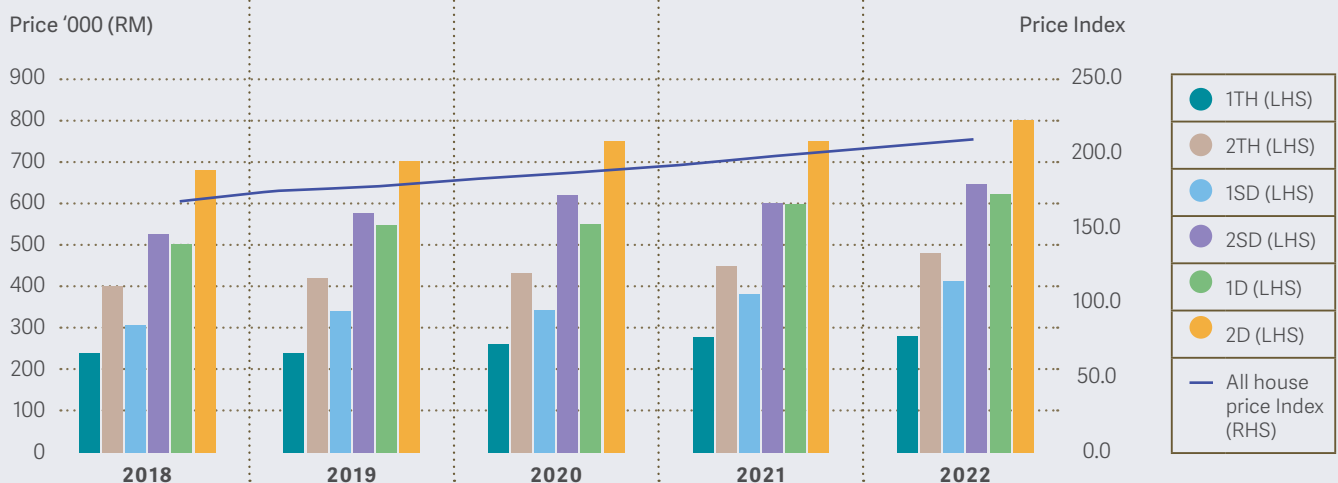
### Value of Residential Property Transactions in Kedah (2018-1H 2022)

(Source: JPPH)



### Alor Setar Residential Property Price Trend & House Price Index (2018-2022)

(Source: Rahim &amp; Co Research, IHRM)



### Selected Upcoming Residential Properties in Kedah (Landed)

(Source: Rahim &amp; 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	2023
Taman Purnama		1-sty Semi-Detached	30	From RM337,500	2023
Taman Derga Perdana	Alor Setar	1-sty Semi-Detached	54	From RM358,000	2023
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	2024
Sierra Prime @ Bukit Banyan	Sungai Petani	2-sty Semi-Detached	24	From RM850,000	2024
Avani Heights@Amanjaya		1&2-sty Detached	72	From RM712,000	2024
Parc Residensi 2 @ Aman Parc		2-sty Townhouse	173	From RM397,708	2025

### Selected Upcoming Residential Properties in Kedah (High-Rise)

(Source: Rahim &amp; 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	2024/2025
D'Aman Residence (Block A)	Alor Setar	Serviced Apartment	134	From 383,000	2024
D'Aman Residence (Block B)	Alor Setar	Serviced Apartment	135	From 403,000	2025
Tropicana Cenang	Langkawi	Serviced Apartment	831	From RM460,000	2026

As at 1H2022, another 19,130 residential units were in the incoming supply basket of Kedah. The highest supply would go into Kulim district followed by Kuala Muda district. The majority of the incoming supply was terraced houses followed by the semi-detached houses. However, there were slightly more single-storey semi-detached houses at 5,400 units than 5,334 units of single-storey terraced houses.

Overhang numbers in the state's residential segment were down to 1,971 units in 1H2022 from 2,569 units in 2021. The bulk of overhang was found to be in the Kuala Muda with 987 units, followed by Kubang Pasu and Kota Setar with almost equal proportions. A big portion of the overhang properties, 602 units, were in the price bracket of below

RM100,000 and another 448 units were in the next range of RM300,000 to RM400,000. With regards to the high overhang scenario in Kedah, new launches have slowed down momentarily at present but is expected to rebound with more developer's interest seen recently especially for the affordable segment.

The residential properties in Sungai Petani and Kulim have generally been receiving good demands. The majority of buyers were those working in Penang, especially from areas like Penang Island, Seberang Jaya, Perai and Butterworth. This is driven by the affordable pricing in Kedah as compared to Penang. Relatively, the rental market here is also more competitive than in Penang.



September 2022 saw the launch of Darulaman Lagenda, the JV project between Bina Darul Aman and Lagenda Properties. Dubbed the “affordable township” development in Sungai Petani, it would comprise 2,500 landed homes developed over three phases across 230 acres of land. The 282 homes in the first phase were priced below RM250,000 per unit and are expected to be delivered in 2025.

## Retail

Kedah’s retail sector, having maintained its existing supply for two continuous years; i.e. 2020 and 2021 at 6.27 million sf and occupancy at about 75.0%, dropped to 73.1% with the increase in existing stock to 6.37 million sf in 1H2022. This implies that additional retail supply into Kedah’s market had an impact on its overall occupancy rate as absorbance rate slightly lags. Nevertheless, a more carefully planned retail complex with pre-leasing arrangements before its actual opening within tourism hotspots such as Langkawi Island may stabilise the retail occupancy of the state.

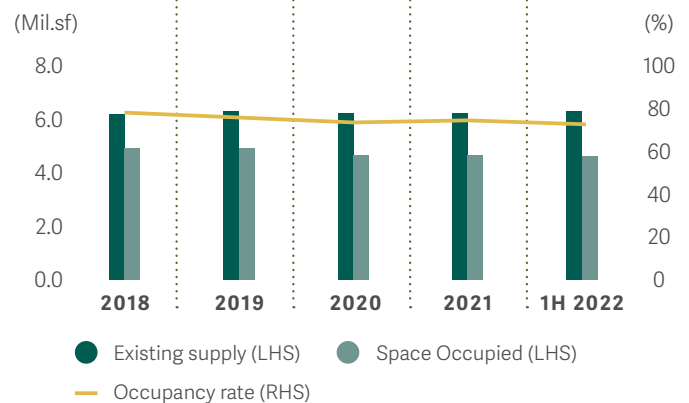
At the time of print, no new completion was recorded and this could mean the additional space was possibly an expansion of existing retail complexes. No incoming supply of retail space was reported for Kedah as at 1H2022.

There is one retail mall in the planning stage in Kuala Ketil by Jesin Group, forming part of Kuala Ketil Commercial Centre development. Further details of this mall are yet to be affirmed by the developer.

Additionally, there would be another retail complex by Bina Darulaman Bhd via a JV with Langkawi Development Authority (LADA) to be developed in two phases consisting of a “Malaysia Designer Outlet” and other premium and business outlets to enter Langkawi by 2024. Originally scheduled to start construction in January 2022, no further update was available on the project.

### Existing Supply & Occupancy Rate of Retail Spaces in Kedah (2018-1H 2022)

(Source: JPPH)



## Shop Office

Kedah’s shop office market rebounded to pre-pandemic levels in both transaction volume and value. Total volume registered a high double-digit growth of 47.5% in 1H2022 with 497 transactions as compared to 337 transactions in 1H2021. Overall transaction value in 1H2022 summed up to RM219.14 million, which was 13.7% higher than that in 1H2019 for 461 units.

As the existing stock totalled to 32,321 units as of 1H2022 with 19 units completed during the first half of the year, 1,101 more units were counted in the incoming supply at the same time. Kuala Muda district accounted for the largest portion of the existing stock at 29.3% share whilst Kulim and Kota Setar made up 22.1% and 21.6% share each. However, Kulim appeared to have the most incoming supply of 570 units and 73.7% of these were 2 to 2½-storey shop offices. More than half of the existing shop offices in Kedah were of this type indicating a huge demand for it.

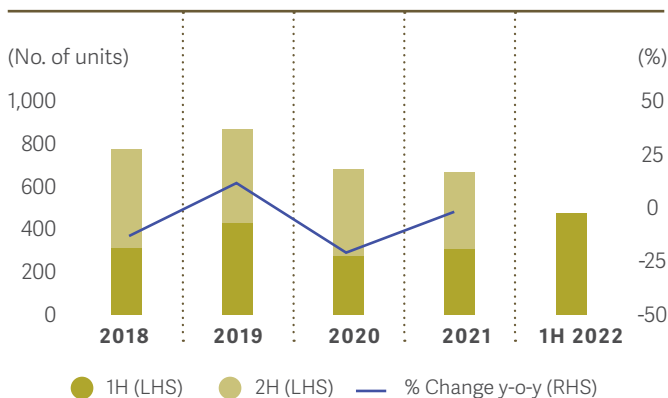
## Selected Upcoming Shop-offices in Kedah

(Source: Rahim &amp; 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

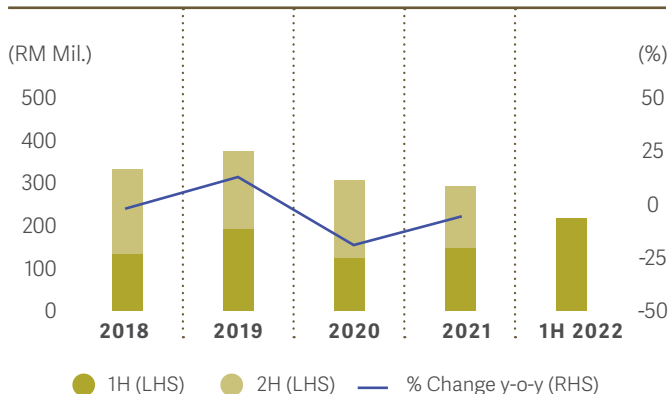
### Volume of Shop Office Property Transactions in Kedah (2018-1H 2022)

(Source: JPPH)



### Value of Shop Office Property Transactions in Kedah (2018-1H 2022)

(Source: JPPH)



## Hotel

Kedah's hotel market, after being stagnant for almost two years in its supply movement, increased marginally by 0.7% to 13,251 rooms in 1H2022. The addition was from the completion of hotel rooms in the incoming supply basket since 2H2019.

“Kedah’s hotel market, after being stagnant for almost two years in its supply movement, increased marginally by 0.7% to 13,251 rooms in 1H2022.”

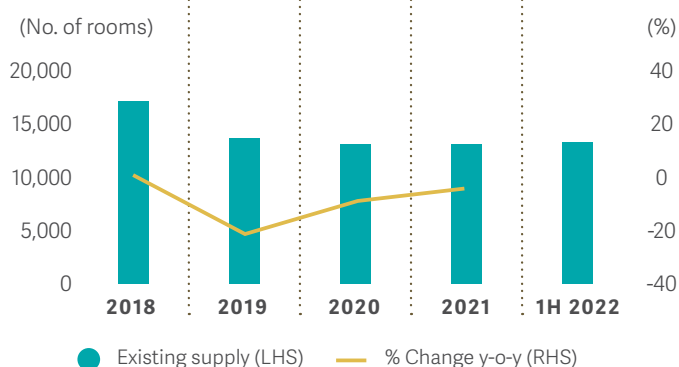
As the tourism market relies highly on tourists from China (amongst others), the lockdowns imposed on the country had slowed down tourism activities in Malaysia generally and in Kedah, which is a famous international destination for its Langkawi Island. However, domestic travel demand assisted the sector during the lockdown periods. The weakening Ringgit also encouraged more travel within the country. Re-opening of the international borders in early 2022 coupled with the Langkawi International Travel Bubble (LITB) in November 2021 had to some extent assisted in rejuvenating the hardly-hit tourism sector of Kedah, not only in Langkawi Island but also along the Thailand border towns in Bukit Kayu Hitam and Changlun.

With the support of domestic tourism and a more optimistic outlook, the hotel sector is expected to continue to improve. The confidence was underlined by planned openings of a few hotels by reputable brands in Langkawi Island. This includes the 308-room Parkroyal Langkawi Resort, a beachfront hotel along Pantai Tengah Beach to be opened in March 2023 and Hilton Burau Bay Resort Langkawi with a scheduled opening in 2024. Owned by Tradewinds Corporation, the 251-room resort will be Hilton's second property in Langkawi, complementing The Nautilus Resort, Curio Collection, also by Hilton that is to be launched in 2023.

Phase 1 of Langkasuka Village, part of the 2,000-acre Widad Langkasuka project by Widad Business Group, commenced in October 2022. Upon completion of the overall development, this integrated project with a

### Existing Supply of Hotels in Kedah (2018-1H 2022)

(Source: JPPH)



retail and shopping component, hospital, residences, recreation, higher education institution and more, is viewed as the iconic development to lure tourists and investors to Langkawi.

Tropicana Cenang, an integrated development in Langkawi Island will have a 5-star rated 270-room hotel which is to be operated by Marriott International. Fronting the famous Pantai Cenang beach, the hotel is to be known as Sheraton Langkawi Resort & Spa and will be completed by 2029/2030.

Almost 20.9% of existing hotel rooms in Kedah were 3-star rated whilst about 14.0% were in 4-star and 5-star categories respectively. Nearly 5,000 rooms were unclassified. A total of 91 hotels were city or town hotels whilst 70 were beach hotels. As of 1H2022, a total of 4 hotels with 539 rooms were registered as incoming supply for Kedah by NAPIC.

On the investment front of the hotel market in Kedah, Wings By Croske Resort Langkawi was purchased by Nexgram Holdings Bhd in September 2022. The 218-room resort hotel was transacted at RM90.0 million to be converted into a healthcare service facility.



## Industrial

The industrial sector of Kedah performed exceptionally well by registering 321 transactions in the first half of 2022. The last time such sizable volume was recorded was in the year 2013 with 314 transactions. Due to a low number of transactions in 1H2021 at 86 units, the hike in 1H2022 was as high as 273.3%. The massive jump in total value by 531% in 1H2022 to RM512.36 million took place for the first time in the past 10 years.

The performance of Kedah's industrial segment was driven by the upsurge of demand in the glove market and warehousing facilities during the pandemic and post-pandemic. Areas involved were in Kulim mostly, with Phase 4 of the Kulim Hi-Tech being taken up and the opening of a new industrial area i.e. Padang Meha Kulim Industrial Park.

As at 1H2022, the total existing supply of industrial properties in Kedah summed up to 3,869 units. Of these, 43.9% share is in Kuala Muda, followed by 27.5% in Kota Setar and 20.0% in Kulim. Terraced factories constituted 46.1% whilst 27.8% were semi-detached units and 20.5% were detached units. Out of the 69 units of incoming supply, 51 are from Kulim.





Industrial properties in areas of Kulim Hi-Tech Park, Kawasan Perindustrian Kulim and Kawasan Perusahaan Makmur were seen to be enjoying good demand in Kedah due to their good location and accessibility near Butterworth Kulim Expressway. The scarcity of industrial land in Penang had moved investors to Kulim as the prices of vacant industrial plots and factories here were regarded as more competitive and attractive.

Kedah was one of the top 5 states that received the highest approved investments in 1H2022. It received 71 approved projects worth RM9.7 billion and foreign investments constituted a total of RM8.9 billion. In 1H2021, Kedah drew more investments than Penang at RM43.6 billion but by end of 2021, Kedah was overtaken by Penang despite attracting RM68.3 billion worth of approved investments. As stipulated in the Kedah State Development Plan 2035, the target was set to achieve RM10 billion annual investments and 2022 was just short of approximately RM300 million in the first half of the year.

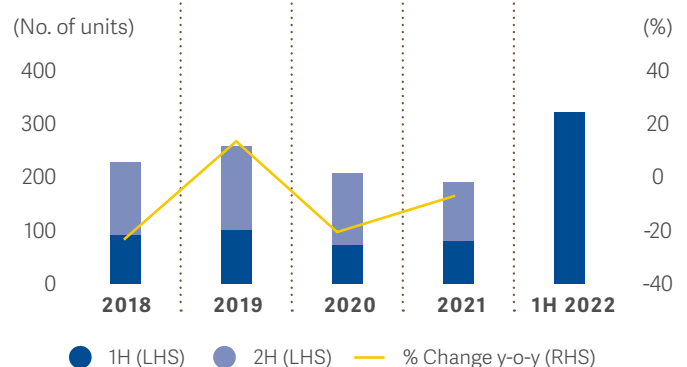
The e-commerce segment has been driving the demand for warehouse and logistic facilities and this was enhanced by the pandemic where there was higher demand for last-mile deliveries and cold storage facilities. With the changing consumer behaviour and people wanting products to be delivered within a shorter timeframe, demand for industrial properties is predicted to increase.

The Kedah State Government through Invest Kedah Berhad had in January 2022 signed into a MoA with KT Express Logistics Sdn. Bhd. to develop an e-commerce and logistics hub in Bukit Kayu Hitam. With an overall investment value estimated at RM1.0 billion, Phase 1 of the project is an e-commerce warehouse, Phase 2 is an e-commerce terminal hub equipped with green technology and Phase 3 is to complete the warehouse as an 'Automated Fulfilment Centre'. Upon completion, it is foreseen to play a major role in the import and export activities by road on the border of Malaysia and Thailand.

In February 2022, Kedah Rubber City (KRC), the first-ever dedicated rubber eco-industrial park of the country, was launched. Envisioned to be the socioeconomic transformation driver of Kedah and Malaysia, it is a collaboration project between North Corridor Implementation Authority (NCIA) and the Kedah state

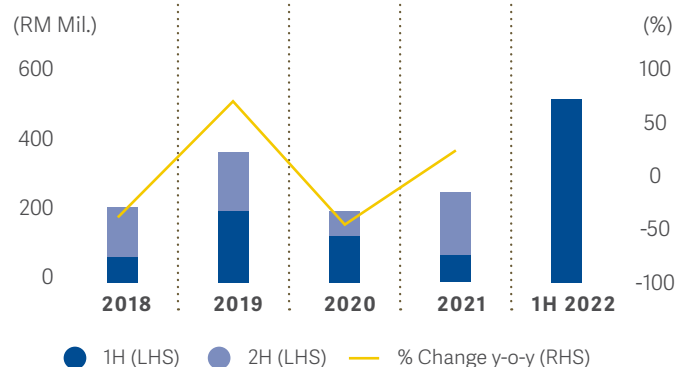
**Volume of Industrial Property Transactions in Kedah (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Kedah (2018-1H 2022)**

(Source: JPPH)



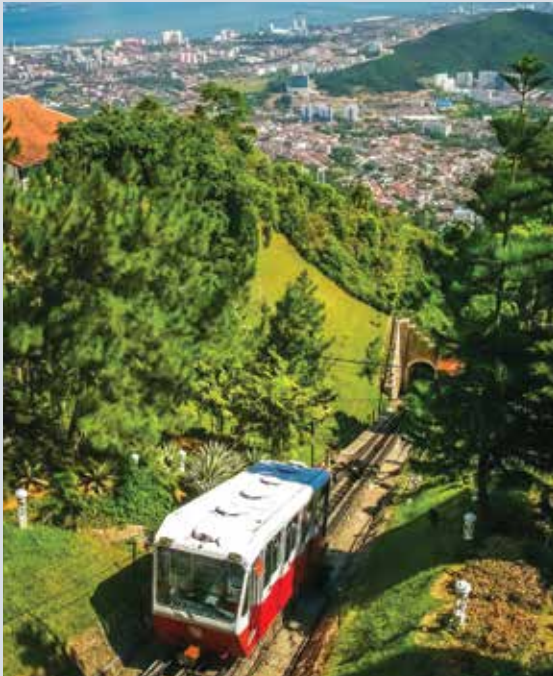
government. Located in Padang Terap, the project is to be developed in two phases over 1,244 acres. Phase 1 (industrial park) is nearing completion whilst Phase 2 is scheduled to commence in 2023.

Apart from the above two mega industrial projects, the state government had in September 2022, approved the opening of a new 404.69-hectare industrial area in Gurun, part of an overall 809.37-hectare development. Bukit Kayu Hitam Halal Hub & Logistic Centre is another incoming industrial project with a 238-acre site developed by Kedah State Economic Development Corporation (SEDC) in the Special Border Economic Zone (BKH-SBEZ). It offers 30 industrial plots of 2 to 5 acres and 34 lots of SME factory space with lots measuring 80 ft by 140 ft.

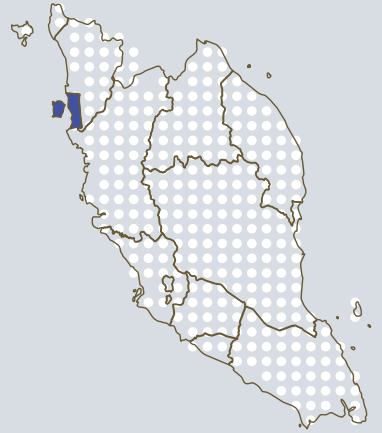
## Notable Announcements

- Pulau Bunting Integrated Development of Gas Supply Centre and Power Plant in Yan, Kedah was officiated by YAB Prime Minister of Malaysia in September 2022. A collaboration project between MMC Group and SKS Corporation Sdn Bhd, it is a ship-to-ship liquefied natural gas (LNG) transfer hub, re-gasification terminal and a gas power plant along the coastline of Kedah, midway between Langkawi and Penang.
- The new Hospital Pendang Kampung Manggol Pauh having a capacity of 126 beds was at 98% stage of completion as of mid-2022. This hospital is much anticipated by the locals to ease their medical needs and reduce cost.
- Molnlycke Health Care's new 314,000 sq ft surgical glove-making factory at Kulim Hi-Tech Park (KHTP) was opened in September 2022 with an investment of RM227 million.
- ECK Group of Companies (ECK), the JV developer of Kulim International Airport (KXP) is no longer part of the project due to non-compliance with the payment terms pre-agreed with the Kedah State Government. This included a payment for land acquisition deposit of 125% of the estimated land acquisition cost of RM2.1 billion. Separately, the Penang Chief Minister had stated that all airport project approvals were put on hold due to the finalisation of the National Airport Strategic Plan study by the Ministry of Transport.

# Pulau Pinang



Penang Hill



Capital: Georgetown

Est. Population: 1,738,600

Area (km<sup>2</sup>): 1,049

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	543,530 units	↑ 1.2% y-o-y
Transaction Volume	8,358 units	↑ 37.8% y-o-y
Transaction Value	RM3,717.43 mil.	↑ 42.5% y-o-y

### Retail

Supply	19.99 mil. sf	↓ 1.2% y-o-y
Occupancy Rate	71.5%	↓ 0.7% y-o-y
Rental	Prime: RM2.80psf– RM 52.50psf	

### Purpose-Built Office

Supply	11.63 mil. sf	↓ 2.1% y-o-y
Occupancy Rate	85.9%	↑ 0.6% y-o-y
Rental	Prime area: RM 1.90psf– RM 4.50psf	

### Shop Office

Supply	31,258 units	↑ 0.3% y-o-y
Transaction Volume	536 units	↑ 56.3% y-o-y
Transaction Value	RM446.57 mil.	↑ 64.8% y-o-y

### Hotel

Existing Supply	23,083 rooms	↑ 3.0% y-o-y
Incoming Supply	4,405 rooms	

### Industrial

Supply	9,607 units	↑ 0.1% y-o-y
Transaction Volume	273 units	↑ 10.5% y-o-y
Transaction Value	RM989.83 mil.	↑ 27.6% y-o-y

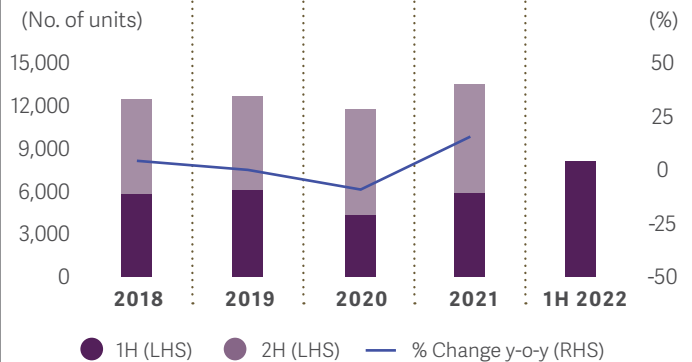
(Source: Rahim & Co Research, JPPH)

## Residential

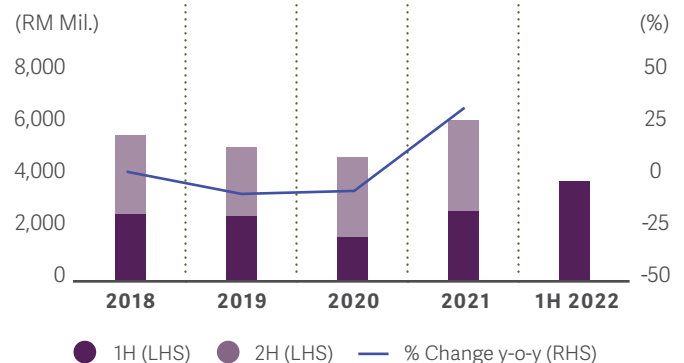
The residential transaction market of Pulau Pinang continued to grow at a significant rate of 37.8% in volume and 42.5% in value by recording 8,358 transactions worth RM3,717.43 million in 1H2022. If the numbers were to include other dwelling units, i.e. serviced apartment and SOHO units, the increase was still significant but at a slightly lower rate at 37.5% and 42.2% in volume and value, to a total of 8,437 transactions worth RM3,777.50 million. With 2021 transactions having reached the pre-pandemic level with a 7.3% growth in volume and a 20.3% hike in value from 2019 transactions, the high performance in 1H2022 itself shows the strong resilience of the residential sector in Pulau Pinang. The highest residential transactions share was 20.0% for condominiums/apartments followed by low-cost flats and flats at 15.6% and 14.2% share, respectively. In terms of total residential value contribution, condominiums/apartments had the largest share at 26.9% but followed by 2 to 3-storey terraced houses at 12.5% share. The condominiums/apartments were mainly priced between RM300,001 and RM400,000.

The total residential supply for the state as at 1H2022 stood at 543,530 but counting in the serviced apartment and SOHO units, the total dwelling supply would make up 552,758 units in 1H2022. The highest stock of residential was in Timur Laut district, followed by Seberang Perai

**Volume of Residential Property Transactions in Pulau Pinang (2018-1H 2022)**  
(Source: JPPH)

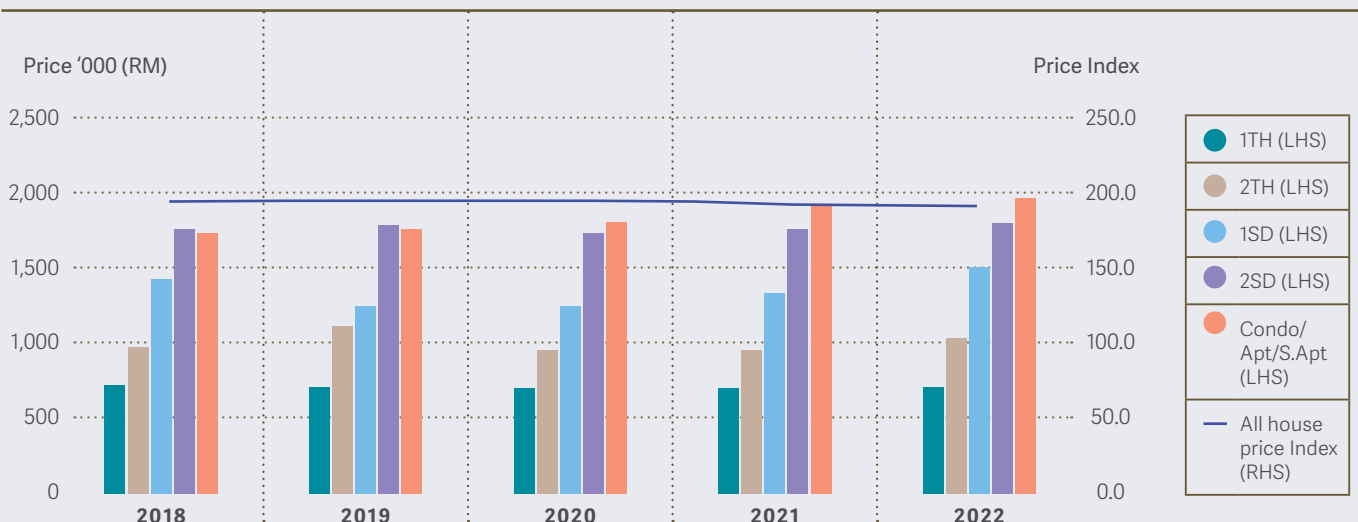


**Value of Residential Property Transactions in Pulau Pinang (2018-1H 2022)**  
(Source: JPPH)



**Penang Island Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



### Selected Upcoming Landed Residential Properties in Pulau Pinang

(Source: Rahim &amp; Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Gem Residence	Seberang Prai	Serviced Apartment	978	From RM475,000	End-2022/ Early-2023
The Sky Urban	Bukit Mertajam	Condominium	560	From RM450,000	2023
Montage	Sg Nibong	Condominium	282	From RM700,000	2023
Muze @ PCCC	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
Royal 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

### Selected Upcoming High-Rise Residential Properties in Pulau Pinang

(Source: Rahim &amp; Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Villuxe @ Aspen Vision City	Batu Kawan	2-sty Terraced	170	From RM750,000	2023
Camdon Collection @ Eco Horizon	Batu Kawan	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	Bertam	1-sty Terraced	40	From RM367,560	2024
Taman Nara	Bukit Mertajam	2-sty Terraced	21	From RM710,000	2024
Taman jasa Indah	Bukit Mertajam	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



“With 2021 transactions having reached the pre-pandemic level with a 7.3% growth in volume and a 20.3% hike in value from 2019 transactions, the high performance in 1H2022 itself shows the strong resilience of the residential sector in Pulau Pinang.”

Tengah. District of Timur Laut (on the island) has the highest supply of high-rises at 163,375 units and Seberang Perai Tengah (on the peninsular mainland) with the largest supply of landed homes at 89,616 units. This painted a picture of a more high-rise inclined residential landscape of the island.

Amongst the Northern Region states, Pulau Pinang was the only state that has more high-rise supply at 53.0% than landed homes. The high-rise segment was dominated by flats with 38.3% share and secondly by condominiums/apartments at 35.3% share. There were 9,288 units of serviced apartments and SOHO units adding to the overall dwelling segment. Among the landed houses, two to three-storey terraced houses were seen to be more prevalent with 77,096 units and the next was detached houses with 73,708 units.

As at 1H2022, there were 39,034 units of incoming supply where 4,215 were serviced apartments and 3,647 were SOHO. A total of 19,038 condominiums/apartments made up the largest number of incoming supply for the state. In the landed category, 2 to 3-storey terraced houses made up the largest incoming supply at 4,282 units. Including single-storey houses, the total incoming terraced houses added up to 5,764 units.

The residential overhang numbers in Pulau Pinang increased from 5,493 units in 2021 to 5,508 units in 1H2022. Overhang serviced apartments and SOHO units however declined by 18.8% in 1H2022 from 345 units in 2021. Although Barat Daya saw the highest drop in the overhang at 50.2%, the addition of 1,071 condominiums/

apartments in Seberang Perai Selatan plus 382 residential units in Seberang Perai Utara was the cause of the overall increase. Properties priced at RM1.0 million and above were the largest overhang category by price bracket at 818 units followed by those in the RM400,001 to RM500,000 range. Pulau Pinang tops the list of states with a high overhang of residential units in the Northern Region. A preventive measure is needed to avoid the numbers from snowballing further. In response to this, there were only 281 new launches in Pulau Pinang and that too was only condominiums/apartments in Timur Laut District. All of those priced between RM300,001 and RM400,000 had a good sales performance at 43.1% within the first 6 months of launch.

In November 2022, the Kepala Batas People's Housing Programme (PPR) was launched in Penang. To be developed on an 8-hectare land belonging to Penang Regional Development Authority (Perda) in Seberang Perai Utara, it consists of 700 units over a few blocks of 4-storey flats, priced at RM45,000 per unit.

## Retail

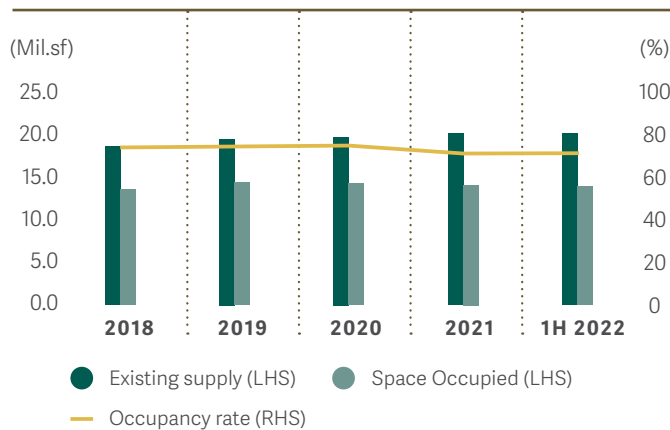
The existing stock of Pulau Pinang's retail space reduced by 0.4% in 1H2022 to 19.99 million sf compared to the previous year whilst the occupancy improved marginally to 71.5% in 2022 from 70.9% in 2021. About 57.2% of the existing retail space in the state was on the island particularly within Georgetown with a total of 5.07 million sf.

Sunway Carnival Mall that was renovated and expanded up to 1.0 million sf was opened for business in mid-2022. The 4-storey mall in Seberang Jaya now has doubled in size with more shops to cater to a larger crowd. The mall opened with an 80% occupancy and 95% committed leasing rate. In mid-2020, Ikano Centre unveiled its Klippa Shopping Centre, a new integrated shopping mall having a floor area of about 1.6 million in Batu Kawan. The first phase of Klippa was launched in 2019 with 20 brands and over 80,000 sf of retail space.

Sunshine Central, an integrated development in Ayer Itam by Suiwah Corporation Berhad, will feature a retail mall, office tower, wellness centre and serviced apartment. Known as Sunshine Mall, it will have a 142,000 sf Sunshine Hypermarket as its anchor tenant and is slated for completion in early 2023. Penang International Commercial City (PICC) would bring in another shopping mall, known as Lifestyle Mall & Retail @ PICC by early 2023.

### Existing Supply & Occupancy Rate of Retail Spaces in Pulau Pinang (2018-1H 2022)

(Source: JPPH)



Another upcoming complex is GEM Megamall with a 1.2 million sf of retail space by Belleview Group. It forms part of an integrated project in Prai and is slated for completion in 2024. In addition, The Waterfront Shoppes within The Light City integrated development by IJM Perennial Development Sdn Bhd is expected to enter the market in 2025 with another 680,000 sf. The mall being part of phase one is under construction and would accommodate a 30,000 sf supermarket and 45,000 sf cineplex.

In addition to the upcoming spaces under construction, Sunway Valley City is currently in the planning stage. Nestled within a mixed-development on a 24.45-acre land in Paya Terubong, approximately 1.0 million sf retail space is expected, once finalised. Another developer, Mitsui Fudosan, would be soon announcing its Mitsui Outlet Mall in Penang International Airport. The outlet is a joint venture between Mitsui Fudosan Co Ltd and Malaysia Airport Holdings Bhd. With a long list of retail complexes and almost all being huge malls above 500,000sf within integrated developments, Pulau Pinang retail segment will have a lot to absorb in the next few years. Nevertheless, these malls are in various prime locations and spread over the island and mainland which would cater to the northern region catchment and also the international market - taking advantage of its position as a prominent tourism state.

CapitaLand Malaysia Trust (CLMT) had in November 2022, announced its purchase of 91.8% of the total strata floor area of retail parcels in Queensbay Mall, Bayan Lepas at RM990.5 million in a related-party transaction. Queensbay Mall is an 8-storey stratified mall with 592 stratified retail lots. It commanded a committed leasing rate of 95.0% on its net lettable area of 883,111 sf as at October 2022.



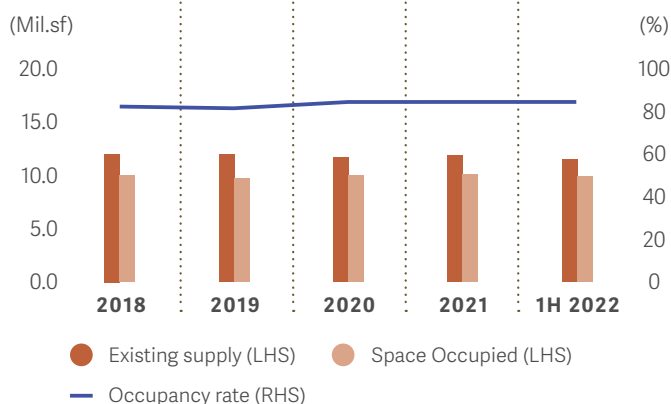
## Purpose-built Office

The PBO supply in Pulau Pinang, after seeing a drop in 2019, reduced further in 1H2022 by 2.7% to 11.63 million square feet. In line with the reduction in space, the overall occupancy rate of PBOs improved slightly to 85.9% from 85.4% in the previous year.

The office sector performance of Pulau Pinang is majorly influenced by the private sector due to its 73% ownership of office space here. Georgetown, the capital city of the state, took the major share of the office space by almost 60%. Three more buildings are expected to enter Georgetown's market in the near term. Two of these are VOS Lifestyle Suites at Bukit Dumbar with a total of 90,000 sf space and Sunshine Tower @ Sunshine Central in Bandar Baru Ayer Itam having an NLA of 227,600 sf. Both of these are to be ready in 2023. One more is from Phase 1 of The Light City, a mixed-development at Gelugor, with 204,400 sf slated for completion in 2024. Injection of these new spaces may alter the state's office occupancy level but would still hover around 80%, should absorption growth match the increase in supply.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Pulau Pinang (2018-1H 2022)

(Source: JPPH)



On top of these, there will be a 44-storey office tower within the mega Penang International Commercial City (PICC) development by Hunza Group to enter the market in 2026. Furthermore, in addition to the two existing Global Business Services (GBS) buildings, i.e. GBS@Mayang and GBS@Mahsuri, there will be two more coming in within the next 2 to 3 years. Having a total NLA of approximately 300,000 sf each, this development by Penang Development Corporation is aimed to capture the GBS, local and multinational companies to expand into high-value and technology-driven services including artificial intelligence amongst others.

## Shop Office

In 1H2022, Pulau Pinang's shop office sector showed remarkable growth at 56.3% to 536 units in its transaction volume and 64.8% to RM446.57 million in value.

The existing stock of shop offices in the state accumulated to 38,965 units as at 1H2022, a growth of 0.5% y-o-y. About 28.4% of the stock was in the Timur Laut district, followed by Seberang Perai Tengah with a 25.6% share. The majority of these were 2 to 2½ -storey shop offices at 15,531 units. Pulau Pinang appeared to have the highest stock of stratified shops at 7,174 units among the other Northern Region states, indicating its popularity and demand here.

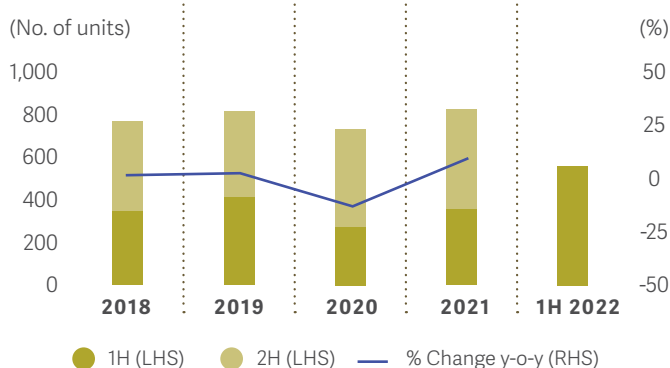
Anticipating 4,215 more shop offices in the next few years, Timur Laut and Seberang Perai Selatan districts are to welcome a big bulk of it. Similar to the existing stock, the incoming supply is from the 2 to 2½ -storey shop offices. As at 1H2022, there was one shop-office

development under construction in Batu Kawan, known as Sinaran Avenue @ Utropolis Batu Kawan. Estimated to complete by 2024, it consists of 2-storey shop offices priced at RM2.18 million and above. In planning, 112 units of semi-detached shop-offices and 46 retail shops could be a potential supply from Alma City mixed-development in Bukit Mertajam.

As at 1H2022, the overhang number of shop offices in Pulau Pinang reduced to 215 units from 278 units in 2021, where a majority of 132 units were in the Seberang Perai Selatan. A total of 93 semi-detached shop offices contributed to this overhang. It was observed that the overall shop-office overhang in the state was caused by the mismatch between the type of shop-office and its location. This was evident by 41 overhang stratified units in Seberang Perai Tengah. The semi-detached shop offices were priced between RM600,001 to RM700,000 whilst the majority of other types of overhang units were priced between RM400,001 and RM500,000.

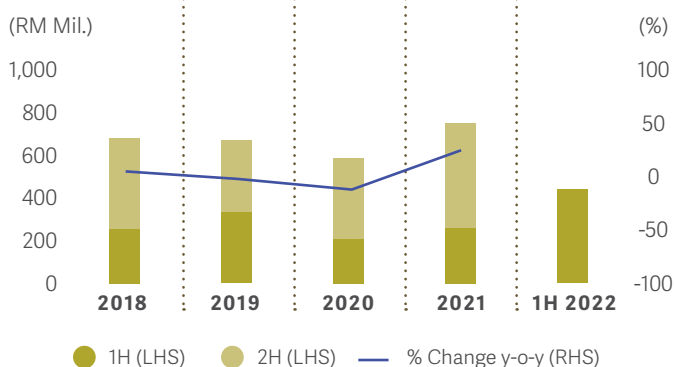
### Volume of Shop Office Property Transactions in Pulau Pinang (2018-1H 2022)

(Source: JPPH)



### Value of Shop Office Property Transactions in Pulau Pinang (2018-1H 2022)

(Source: JPPH)



## Hotel

The hotel sector of Pulau Pinang has been steadily growing in its room supply where in 1H2022, it grew at a higher rate at 3.0% as compared to the previous two years. Despite the closure of many hotels during the pandemic, Pulau Pinang's hotel market, one of the major tourist destinations of the country, managed to keep its room supply growing.

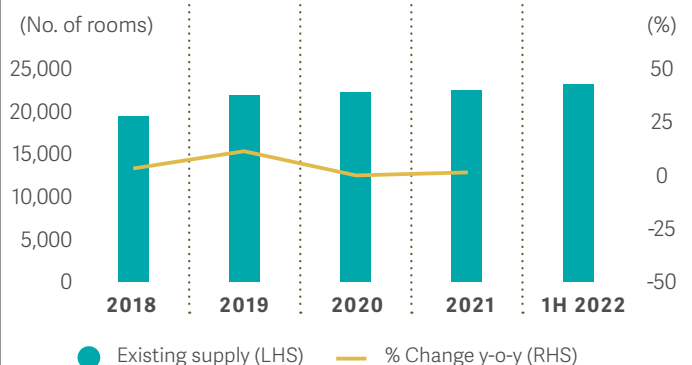
Of these existing supply, 28.4% were classified as 4-star and 18.1% as 5-star whilst 25.0% were unclassified. A total of 210 hotels with 18,289 rooms were in the city or town area whilst 22 were by the beach area and only one sited on the hillside. Another 4,405 new hotel rooms are in the pipeline for the state.

Just like other tourism prominent states of the country, Pulau Pinang has been experiencing a shortage of manpower in its hotel industry. Several hotel closures, be it temporary or permanent, had caused the loss of jobs for many hotel workers and now, most of them were seen not returning as they have settled down with a different job or business.

“Despite the closure of many hotels during the pandemic, Pulau Pinang’s hotel market, one of the major tourist destinations of the country, managed to keep its room supply growing.”

### Existing Supply of Hotels in Pulau Pinang (2018-1H 2022)

(Source: JPPH)



A good sign in the hotel market that highlighted the improved conditions after the pandemic waned off were the several announcements made by renowned hotel brands here. Starting with the exciting announcement of Le Meridien making its debut in Pulau Pinang via its 200-room hotel. It will be part of Penang Gateway's integrated development in Bayan Lepas, which will be connected to the Penang International Airport and its future developments via a link bridge.

IHG Hotels & Resorts (IHG) had in the middle of 2022, announced its collaboration with Tradewinds Corporation Berhad to revive Penang Mutiara Beach Resort, a 5-star luxury resort in Teluk Bahang. Upon its completion in 2025, the 355-room hotel will be known as InterContinental Penang Resort. IHG Hotels & Resorts made another announcement on bringing in the first Crowne Plaza Hotels & Resorts into Penang by partnering with STC Property Management Sdn Bhd. To be ready by 2024, the 343-room hotel would be part of Straits City, Butterworth.

Also noted was the soft opening of Onyx Hospitality Group branded Amari SPICE Penang in November 2022. Sited right next to Setia SPICE Convention facility, it's a 5-star hotel with 453 rooms that features the world's first hybrid solar-powered events venue.

### Selected Upcoming Hotels in Pulau Pinang

(Source: Rahim & Co Research)

Development	Location	Star Rating	No of Rooms	Completion
A'Loft Hotel	Batu Kawan	4	308	2023
InterContinental Penang Resort	Teluk Bahang	5	355	2025
Le Méridien Penang Airport	Bayan Lepas	5	200	2026



Many tourism and career fairs or expos like Penang Career Expo 2022 and Malaysia International Travel Mart (MITM) Travel Fair 2022 and more are expected to boost the tourism industry and assist the gaining workforce to serve both the tourism and hotel industry. With this issue being resolved, Pulau Pinang's property market would be able to rebound at a faster pace.

## Industrial

Following its outstanding recovery in 1H2021 in both transaction volume and value, the industrial sector of Pulau Pinang continued to grow but at a relatively slower pace of 10.5% and 27.6% respectively in 1H2022. Yet this was a better performance than the negative or less than 5.0% growth in the years prior to the pandemic.

The existing supply as at 1H2022 was 9,607 industrial units in total, a rise of only 0.1% from 1H2021. About 82.1% of the total supply was on the mainland with 5,382 units within the Seberang Perai Tengah district. There were 205 new industrial properties launched in the earlier half of 2022. As at 1H2022, the overhang number stood low at 95 units, down by only 6 units from 2021.

Being a popular location for the Electric & Electronic (E&E) manufacturing sector and established industrial parks with the likes of Batu Kawan Industrial Park (BKIP), Bayan Lepas Free Industrial Zone and Prai Industrial Estate, Pulau Pinang was listed as the 5th highest ranked state to receive approved investments worth RM9.1 billion in 1H2022. Supporting this would be the returning demand for microchips and semiconductors in the automotive industry due to the global disruptions faced during the pandemic-laden global lockdowns and disruptions to the supply chain.

As at 1H2022, Pulau Pinang exported E&E products worth RM32.7 billion which maintained its position as the top exporter amongst other states. This underlined the importance of Pulau Pinang's role as a major industrial state that contributes highly to the country's economy. Other than the E&E sector, the state also focuses on various manufacturing and services sectors including medical equipment, aerospace, digital economy and global business services that offer high added-value.

To accommodate the growth and expansion of these high-value-adding industries, Pulau Pinang would need more industrial parks to be created. As a start, the state



Heritage houses, Georgetown

government had in June 2022, revealed a new industrial park in Kepala Batas. Named Penang Technology Park, the 339-hectare land would be developed by a private developer. A dedicated park purely for high-tech industries, it will be under the purview of Penang Development Corporation (PDC) and InvestPenang as foreign investments advisors. Due to a shortage of land above 10 acres in BKIP, Bandar Cassia Technology Park and East Batu Kawan would be the focus area to be developed over the next 2 to 3 years to add another 900 acres of industrial land. Byram in South Seberang Perai is another location identified for land purchase to build large industrial parks.

China-based Cainiao Smart Logistics Network Ltd, an affiliate of Alibaba Group Holding Ltd had in April 2022, signed an MoU with PDC to undertake a feasibility study on the development of a planned distribution park in Batu Maung. The said park would be on a 12.14-hectare land belonging to PDC near Batu Maung Air Cargo Complex.

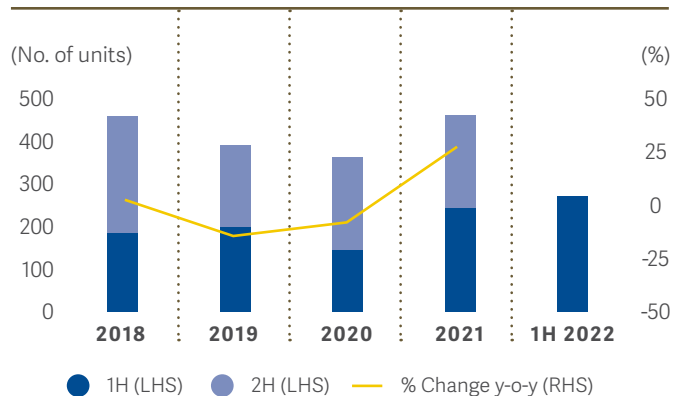
Similar to the hotel sector, the industrial sector was being affected by a shortage of labour. To resolve this Northern Corridor Implementation Authority (NCIA) joined hands with the state government of Pulau Pinang to build a conducive economic and talent network. Having successfully created around 4,000 job opportunities, this effort is hoped to assist the industrial sector of Pulau Pinang to supply its much needed manpower.





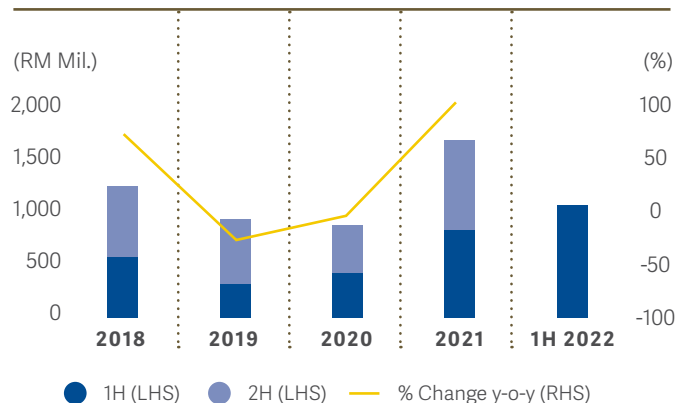
**Volume of Industrial Property Transactions in Pulau Pinang (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Pulau Pinang (2018-1H 2022)**

(Source: JPPH)



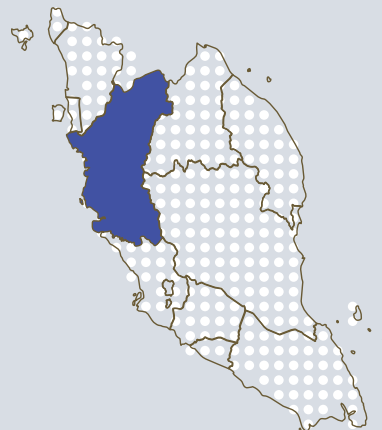
## Notable Announcements

- In January 2022, Titijaya Land Bhd had inked an MoU with PDC to build a Medi-Tech City with a GDV of RM9.9 billion on a 230-acre land in Batu Kawan, Penang. Upon its full completion in 10 years, it would serve as an integrated medical city and business hub providing eco-tourism and global business services.
- Bukit Kukus bypass road, which is part of the 3.8km Paya Terubong Paired Road project was opened to the public in January 2022. The bypass would help reduce travel time to less than 10 minutes from nearly 20 to 30 minutes between Ayer Itam and Relau. The project costs was reported to be RM378.2 million.
- The Gurney Drive “beach” project, a RM200 million waterfront project forming part of the Gurney Wharf development by the state government had its groundbreaking on reclaimed land in mid-May 2022. Set to be fully completed by 2025, the project would have a green park, a playground, a skate park and a viewing deck ready by end of 2023. A hawker center, a multi-storey car park, a water taxi jetty and a man-made beach would come in the final phase.
- In April 2022, PDC had proposed to develop an eco-tourism hub at Batu Kawan, on a 46.77-hectare land in the northern part of Bandar Cassia.
- Bayan Lepas Light Rail Transit (LRT) project is expected to begin construction towards the end of 2023 once federal authorities approval is obtained on the last section of the line confirming the depot location on the reclaimed Penang South Islands.

# Perak Darul Ridzuan



Kellie's Castle, Gopeng



Capital: Ipoh

Est. Population: 2,521,700

Area (km<sup>2</sup>): 20,976

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	509,340 units	↑ 1.3% y-o-y
Transaction Volume	14,499 units	↑ 35.9% y-o-y
Transaction Value	RM3,222.72 mil.	↑ 37.5% y-o-y

### Retail

Supply	11.73 mil. sf	↑ 14.0% y-o-y
Occupancy Rate	76.4%	↓ 8.1% y-o-y
Rental	Prime: RM 4.10psf– RM 25.90psf	

### Purpose-Built Office

Supply	7.02 mil. sf	↑ 1.0% y-o-y
Occupancy Rate	92.9%	↑ 0.7% y-o-y
Rental	Prime area: RM 2.00psf– RM 3.20psf	

### Shop Office

Supply	59,167 units	↑ 0.2% y-o-y
Transaction Volume	890 units	↑ 42.9% y-o-y
Transaction Value	RM434.35 mil.	↑ 41.7% y-o-y

### Hotel

Existing Supply	16,452 rooms	↑ 0.7% y-o-y
Incoming Supply	631 rooms	

### Industrial

Supply	8,482 units	↑ 0.1% y-o-y
Transaction Volume	346 units	↑ 83.1% y-o-y
Transaction Value	RM319.96 mil.	↑ 24.1% y-o-y

(Source: Rahim & Co Research, JPPH)

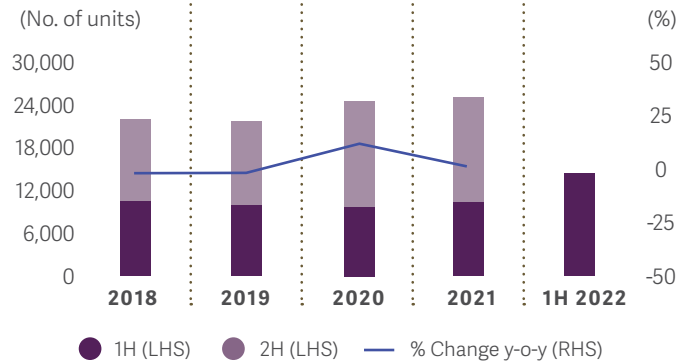
## Residential

The residential sector of Perak after having witnessed a downward trend in transaction activity since 2016, rebounded in 2020 despite the pandemic. Registering a notable hike of 11.5% in 1H2021 with 10,672 transactions, the market was surprised in 1H2022 with a huge jump of 35.9% to 14,499 units. In terms of value, it grew by 37.5% in 1H2022 with a total value of RM3,222.72 million. Adding in serviced apartments and SOHO units, the growth in 1H2022 would have been at 35.8% in volume and the same 37.5% in value. Almost 80.0% of the residential property transactions were in the price range of below RM300,000.

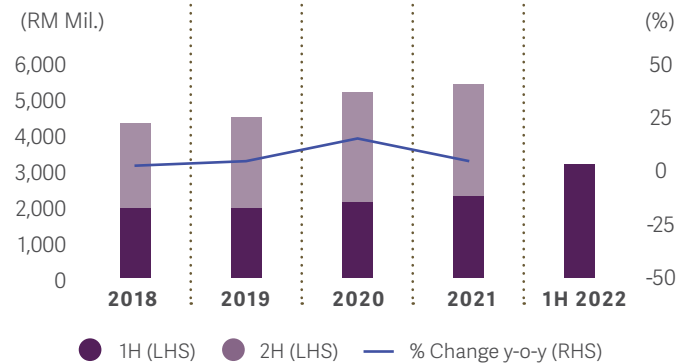
The existing stock of residential properties in Perak stood at 509,340 units as at H12022. This number would be 511,261 units if serviced apartments and SOHO units were to be included. Of the total residential and serviced apartment/SOHO units, landed houses constituted about 93.8% of the total existing stock whilst only 6.2% were high-rise. District of Kinta holds the highest existing stock share at 47.4%.

A total of 46,147 units were in the pipeline as at 1H2022, including 404 serviced apartments and 654 SOHO units. District of Kinta is to welcome the major portion of this supply at 32.9%, while Manjung lines up next with 27.3% of the share. Almost 50% of the incoming supply are made up of single storey terraced houses, followed by condominiums/apartments at 16.1%. District of Perak

**Volume of Residential Property Transactions in Perak (2018-1H 2022)**  
(Source: JPPH)

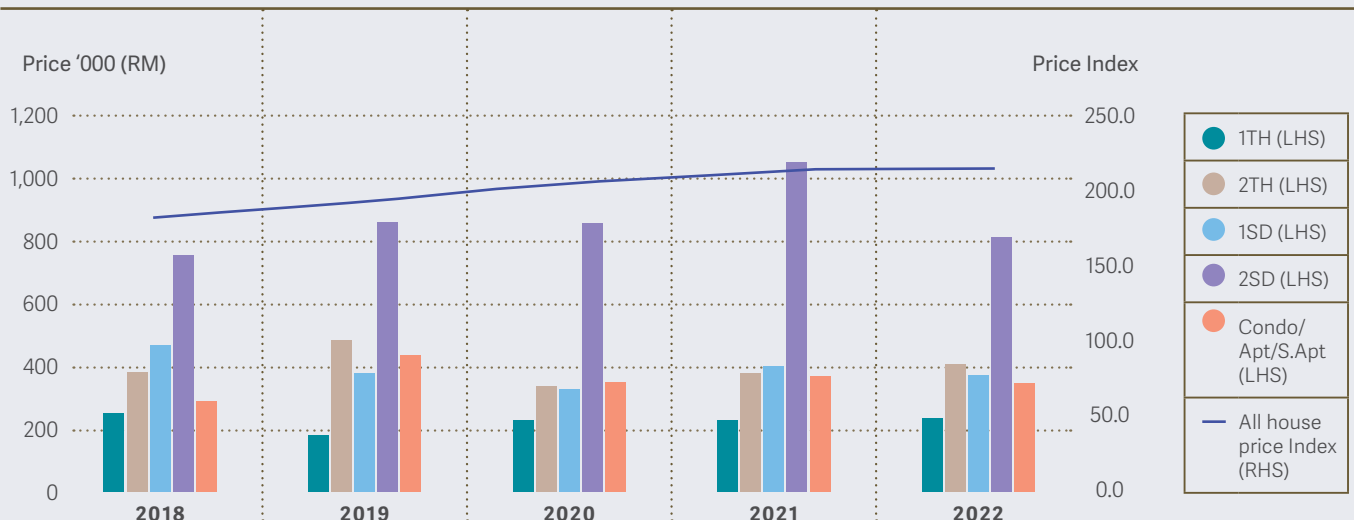


**Value of Residential Property Transactions in Perak (2018-1H 2022)**  
(Source: JPPH)



**Ipoh/Kinta Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



### Selected Upcoming Landed Residential Properties in Perak

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Spanish Garden	Batu Gajah	1-sty Terraced	150	From RM285,000	2023
	Batu Gajah	2-sty Terraced		From RM378,000	2023
Sierra Beringin	Simpang Pulai	1-sty Terraced	70	From RM239,999	2023
	Simpang Pulai	2-sty Terraced	230	From RM299,999	2023
Klebang Perdana	Ipoh	2-sty Terraced	40	From RM443,888	2023
Taman Bendahara	Ipoh	2-sty Terraced	44	From RM468,000	2023
Centaurea @ Bandar Universiti Seri Iskandar	Seri Iskandar	1-sty Terraced	92	From RM250,000	2023
Raia Gemilang Residences	Gopeng	1-sty Terraced	34	From RM228,000	2023
Seri Raia Residence	Simpang Pulai	1-sty Bungalow	70	From RM368,000	2023
Bemban Margosa Residence	Batu Gajah	1-sty Bungalow	NA	From RM320,400	2023
Taman Klebang Prima	Ipoh	1-sty Terraced	28	From RM259,920	2024
Daisy, Bandar Baru Sri Klebang	Klebang	2-sty Terraced	80	From RM299,800	2024
Falim Avenue	Medan Buntong, Ipoh	2-sty Terraced	45	From RM488,800	2024
Marbella @ Ipoh South Precinct	Ipoh	2-sty Terraced	104	From RM650,000	2024
	Ipoh	2-sty Cluster		From RM704,600	2024
	Ipoh	2-sty Semi-Detached		From RM1,024,400	2024
De-Arcadia @ Lawan Kuda	Gopeng	1-sty Semi-Detached	70	From RM317,800	2024

### Selected Upcoming High-Rise Residential Properties in Perak

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Sunway Onsen Suites	Tambun, Ipoh	Serviced Apartment	252	From RM451,500	2022 / 2023
Anderson Condo (Phase 1)	Ipoh	Condominium	1,030	From RM266,000	2023
Lestari IUS	Seri Iskandar	Apartment	130	From RM145,320	2023
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

“With the completion of parts of the West Coast Expressway (WCE), some new developments are positioning themselves to capitalise on the new highway linkage.”

Tengah, where Seri Iskandar town is located, accounts for the whole future supply of 654 SOHO units whilst Kinta and Hulu Perak accounts for all the 404 units of serviced apartments.

As at 1H2022, the overhang figure of Perak residential properties was high at 2,611 with the largest contributor being condominiums/apartments at 1,369 units. These high-rise units fall mainly within the price bracket of RM100,001 to RM400,000 and more than half are in the RM200,001 to RM300,000 category. No overhang was observed for the serviced apartments and SOHO units in 1H2022 although there was 54 units of unsold serviced apartments registered in 2021. The overall overhang numbers have been dipping since the pre-pandemic year 2019 (5,024 units). Amongst the Northern Region states, Perak is the only state that is seeing a y-o-y decline in its residential overhang since 2019.

Different from the transaction trend, 614 units or 46.6% of the new launches in 1H2022 were in the price range of RM300,000 to RM400,000 followed by 395 units or 36.4% in the RM200,000 to RM300,000 category. Despite having the highest overhang volume, the high-rise sector was seen to have more new launches in the price category of RM300,000 to RM400,000.

With the completion of parts of the West Coast Expressway (WCE), some new developments are positioning themselves to capitalise on the new highway linkage. One developer, Lagenda Properties Bhd had acquired a 422-acre land adjoining its Lagenda Teluk Intan, their ongoing master-planned township development, for a near-term future development. This township is advantageously located about 4km off the West Coast Expressway (WCE) to its west.

Majuperak Holdings Bhd (MHB) had in October 2022 inked an MoU with Perbadanan Kemajuan Negeri Perak (PKNPk) to jointly develop several plots of land in various locations of Perak including Seri Iskandar, Bidor and Tronoh. Owned by PKNPk, the plots of land have a total area of 857.75 acres and will be developed into mixed-developments comprising mainly residential components. The project will be carried out by Nexusbase Developments Sdn Bhd, the subsidiary of MHB.

## Retail

Perak's retail market has in the past years, amidst increasing supply, held well in its occupancy rate of between 83% and 85%. In 1H2022, it fell to 76.4% with the addition of retail space supply and the pressures brought by the pandemic. Of the new completions in 1H2022, there were two hypermarkets, namely Lotus's Pulai Hartamas and Eonsave Chemor with a total NLA of 111,270 sf.

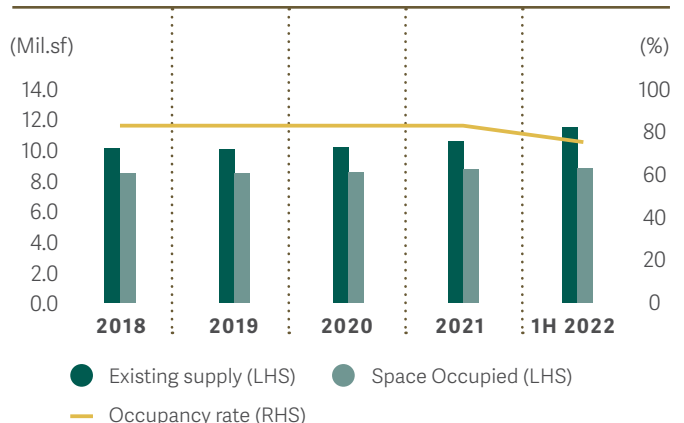
Another shopping mall in the pipeline is a project by the Sunway Group with a net lettable area of 700,000 sf within its Sunway City Ipoh in Tambun. It is slated for completion by 2025.

The review period recorded one hypermarket transaction i.e. Eonsave Hypermarket in Ipoh at RM17.0 million.

In late 2022, YNH Property Bhd entered into a related-party transaction with ALX Asset Bhd for its Aeon Seri Manjung at RM152 million. The retail mall has a total net lettable area of 427,919 sf.

### Existing Supply & Occupancy Rate of Retail Spaces in Perak (2018-1H 2022)

(Source: JPPH)







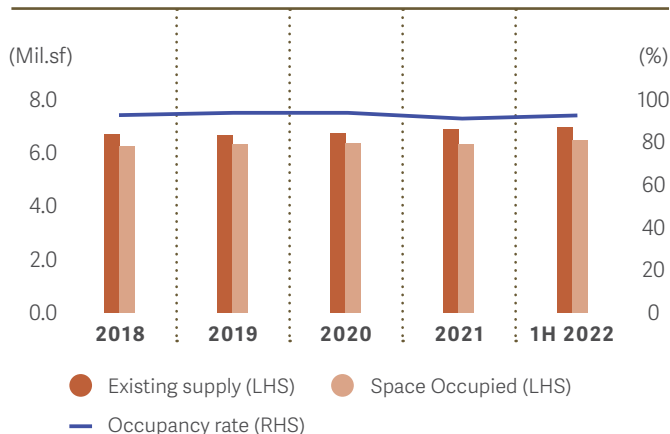
## Purpose-Built Office

As at 1H2022, the total supply of purpose-built offices (PBO) in Perak increased to 7.02 million sf. One of the new completions was the Bonanza Venture Holdings building located off Jalan Sultan Abdul Jalil with a net lettable area of about 29,500 sf. The occupancy rate for offices in Perak, which has been holding firm at 94.0% since 2018 and fell to 92.0% in 2021, rebounded to 92.9% in 1H2022.

Ipoh, being the capital city of Perak, captured the highest stock of office space at 65.0% spread across 70 buildings in 1H2022. Half of this stock is privately owned while the remaining half is owned by the government sector.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Perak (2018-1H 2022)

(Source: JPPH)



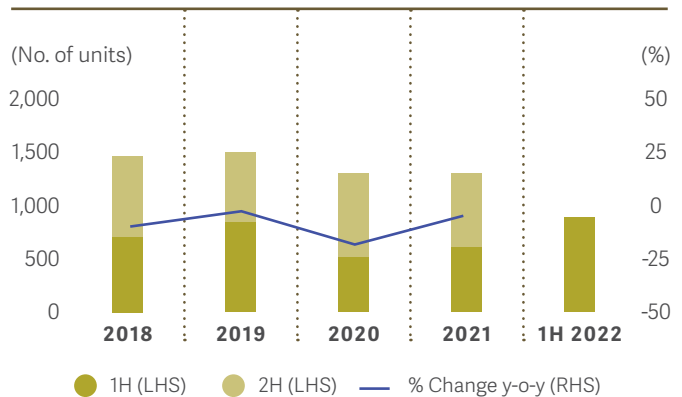
Although in the past, the state's office market performance was largely influenced by government-owned buildings, the trend is gradually inclining towards privately owned buildings as seen in increasing private building space. Another 250,000 sf of private office space is expected to come on stream shortly. Two in Ipoh and one in Taiping. Hereinafter, minor fluctuations could be seen in the overall occupancy status for the state.

## Shop Office

The shop-office sector of Perak rebounded to the pre-pandemic level in 1H2022. The transaction volume and value grew at 42.9% and 41.7% respectively from 1H2021 to 890 units worth RM434.51 million in 1H2022. The transaction activity was anticipated to escalate higher in the second half of the year based on previous years' numbers backed by mainly local investors.

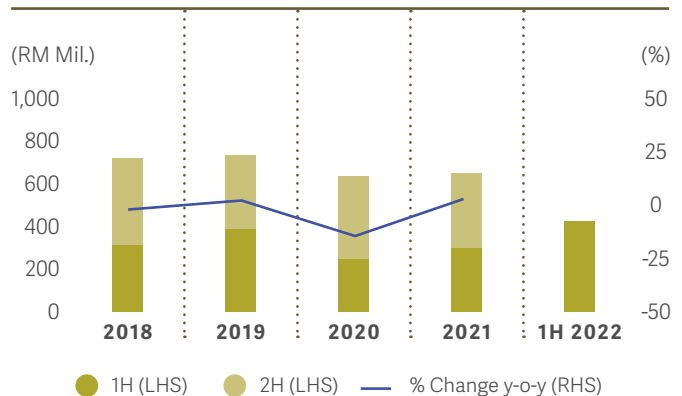
### Volume of Shop Office Property Transactions in Perak (2018-1H 2022)

(Source: JPPH)



### Value of Shop Office Property Transactions in Perak (2018-1H 2022)

(Source: JPPH)



### Selected Upcoming Shop-offices in Perak

(Source: Rahim &amp; Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Spanish Garden by the Water	Batu Gajah	2-sty Shop offices	15	from RM563,000	2023
Bandar Seri Botani	Ipoh	3-sty Shop offices	7	from RM1,100,000	2023

The existing stock only rose by 0.15% to 63,024 units in 1H2022 from the corresponding period of 2021. More than half (54.1%) of shop-offices stock in Perak was made up of 2 to 2 ½-storey units followed by 18.2% of 3 to 3 ½-storey units. The highest concentration of shop offices was in Kinta followed by Kampar and Manjung. The lowest supply could be seen in Bagan Datuk and Selama districts.

Despite having 704 overhang units as at 1H2020, 1,421 new shop offices were launched during the same period. The overhang units were mainly priced between RM200,001 and RM300,000.

In the pipeline, a total of 2,448 units of new shop offices were recorded as at 1H2022. Similar to the existing stock, a big bulk (33.7%) of the incoming supply would be going into the Kinta district followed by Perak Tengah (18.5%) and Manjung (14.7%). The shop-office sector remained a key contributor to the commercial property market in Perak in the year 2022.

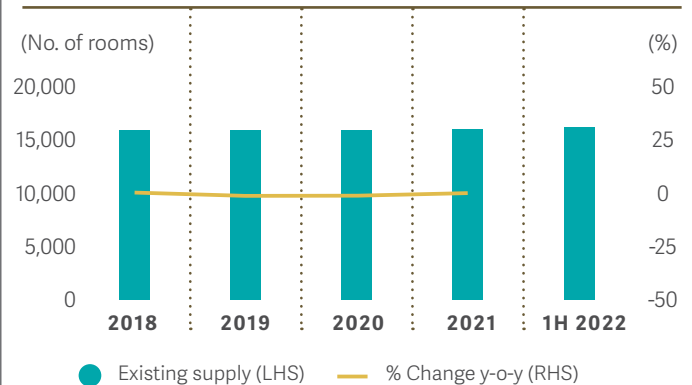
## Hotel

Despite a small drop in the existing stock in 2019, hotel rooms supply increased beyond the 2018 level, registering 16,452 rooms in 1H2022 according to the National Property Information Centre (NAPIC). The majority of stock is of 3-star rated rooms (2,626 rooms across 20 hotels) but in terms of hotel establishments, there are more 2-star hotels at 28 hotels (with only 1,673 rooms in total). There are only three 5-star hotels in the state with another 9 units of 4-star hotels. About 72% are city hotels whilst 15% are beach hotels. Seven more hotels with a total of 631 rooms are accounted for in the incoming supply for the state.

The hotel sector in Perak is a major support tool to the tourism industry and was assisted by the Perak government to boost its growth, especially to recover from the pandemic effects. To address the shortage

### Existing Supply of Hotels in Perak (2018-1H 2022)

(Source: JPPH)



of workers in the hotel sector, training courses and job-hunting programs were organised by the youth development agency Pusat Aspirasi Anak Perak (Pasak) and the Malaysian Association of Hotels (MAH) Perak Chapter. The community of Orang Asli in Perak is also encouraged to participate in these programmes to fill up almost 2,000 vacancies in the hotel sector.

## Industrial

For the industrial sector of Perak, transaction activities saw improvements in volume and value after 2020's depressing point and is close to return back to pre-Covid performance level. As at 1H2021, industrial transactions were at 189 units worth RM257.76 million after a growth of 37.0% and 96.9% respectively.

Existing supply maintains at 8,471 industrial units with the highest concentration being in Kinta at a 74% supply share. There are 119 industrial units in the pipeline for the areas of Kampar, Kinta and Larut Matang/Selama.

Listed as one of the high impact projects under the Northern Corridor Economic Region (NCER) Strategic Development Plan (2021 – 2025), the highly anticipated

“Listed as one of the high impact projects under the Northern Corridor Economic Region (NCER) Strategic Development Plan (2021 – 2025), the highly anticipated Silver Valley Technology Park (SVTP) is expected to drive the high-technology manufacturing sector and be a catalyst for the Industrial Revolution 4.0 in Perak.”

Silver Valley Technology Park (SVTP) is expected to drive the high-technology manufacturing sector and be a catalyst for the Industrial Revolution 4.0 in Perak. Currently in its planning stages, the mega project will be developed between 2021 and 2024 by the Northern Corridor Implementation Authority.

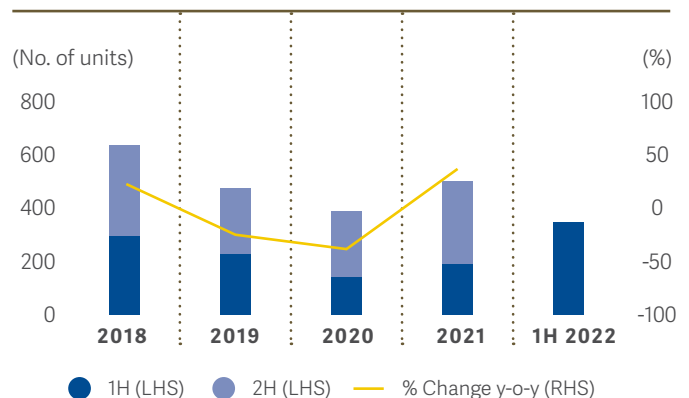
Located in Chemor of Hulu Kinta, this new industrial park will encompass a land area of 1,139 hectares and will be Southeast Asia's first Digital Disruptive Technology Park that serves as a platform to facilitate the development of emerging applied technologies from concept to production. It is strategically accessible to Ipoh Cargo Terminal, Sultan Azlan Shah Airport, Penang Port and Port Klang.

In another mixed development project located in Batang Padang, a development venture between Ageson Bhd and Perak Menteri Besar Incorporated (MBI Perak) will bring 33 industrial lots with the intention of capitalising on the strong demand for build-to-suit industrial properties. In October 2021, Ageson Bhd entered into a sale and development agreement with ZheJiang GuoRong Digital Economy Group Ltd (ZGDEG) for a plot of land at RM278 million.



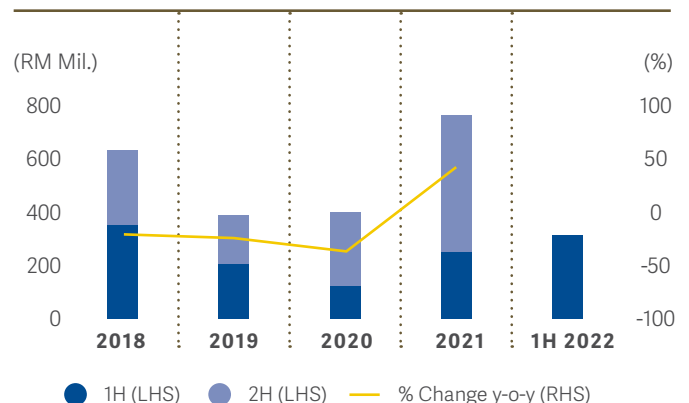
**Volume of Industrial Property Transactions in Perak (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Perak (2018-1H 2022)**

(Source: JPPH)







## Notable Announcements

- Sunway Group had in early 2022 announced its plans for a tertiary medical center within Sunway City Ipoh. To be known as Sunway Medical Centre, it has a GDV of RM350 million and would consist of 200 beds. The project includes a shopping mall with a net lettable area of 700,000 sf and 2,700 parking bays together with the medical center. Together, these components are scheduled to enter the market by 2025.
- National Neuro-Robotics and Cybernetics Rehabilitation Centre, an initiative of the Human Resources Ministry through SOCSO, was launched by Social Security Organisation (SOCSO) in mid-2022. The project would spread

across 37 hectares in Bandar Meru Raya, Ipoh. Slated for completion by end-2024, it bears an estimated construction cost of RM654 million. The international-standard complex would have a capacity of 700 patients at one time and offer both holistic medical and vocational rehabilitation.

- The West Coast Expressway (WCE) is expected to take another three years to complete due to land acquisition matters in some parts of the alignment. As at end-September 2022, three out of the total four sections in Perak had been completed and opened. The final section which is Section 11: Beruas to Taiping Selatan was 70% completed.



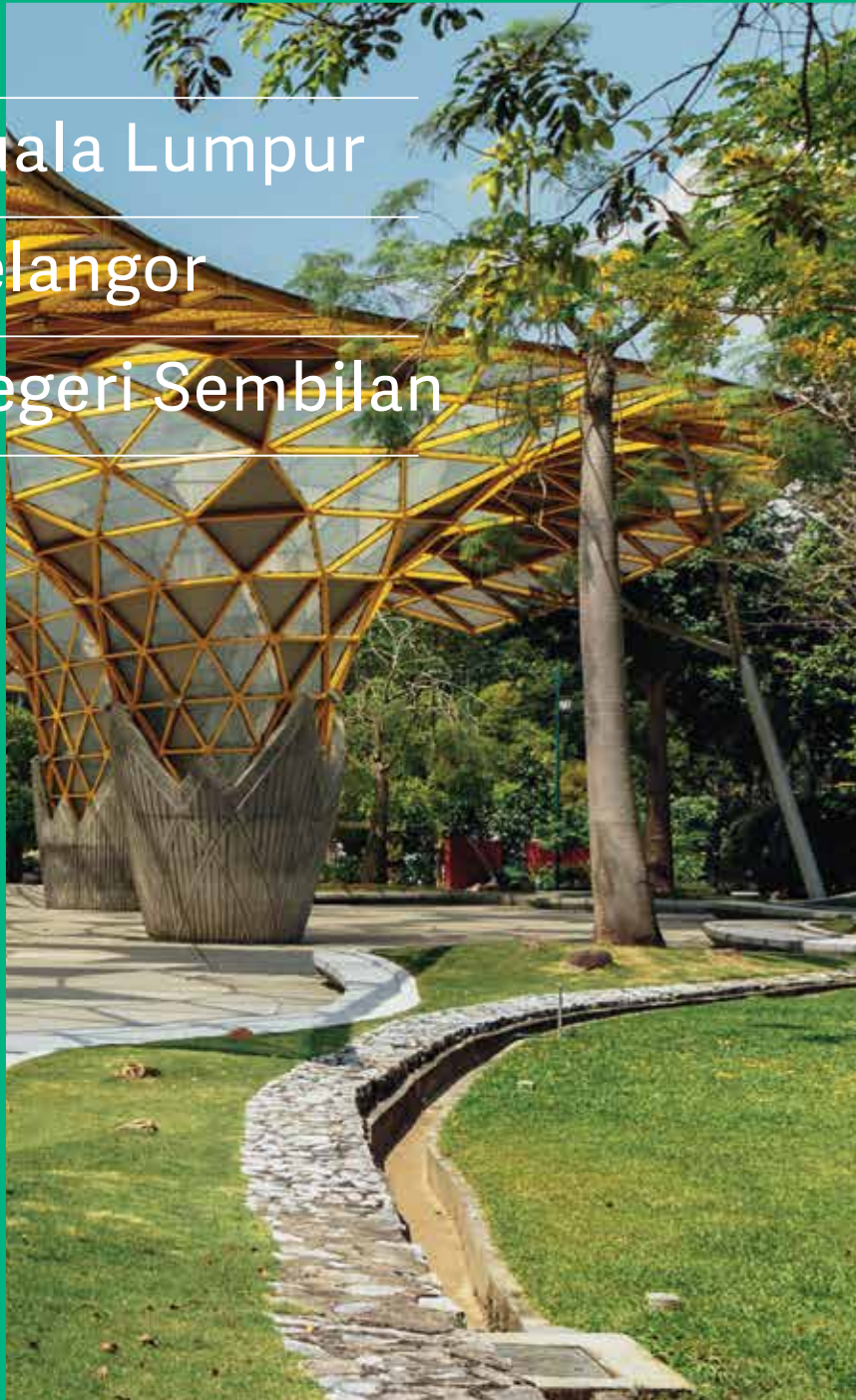


# CENTRAL Region

*Lake Gardens, Kuala Lumpur*



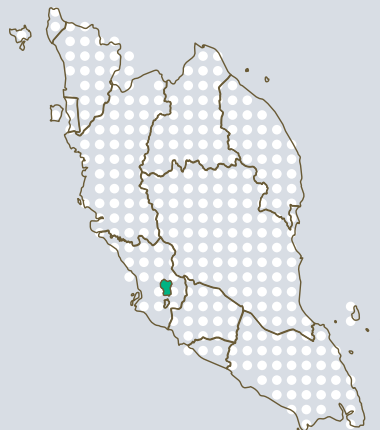
Kuala Lumpur  
Selangor  
Negeri Sembilan



# Kuala Lumpur



Kuala Lumpur skyline



Capital: Kuala Lumpur

Est. Population: 1,945,200

Area (km<sup>2</sup>): 243

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	531,302 units	↑ 5.8% y-o-y
Transaction Volume	6,307 units	↑ 28.4% y-o-y
Transaction Value	RM6,178.02 mil.	↑ 58.1% y-o-y

### Retail

Supply	35.25 mil. sf	↑ 4.8% y-o-y
Occupancy Rate	81.6%	↔ 0.0% y-o-y
Rental	Prime: RM20.60psf – RM172.50psf	

### Purpose-Built Office

Supply	106.71 mil. sf	↑ 2.2% y-o-y
Occupancy Rate	71.6%	↓ 2.2% y-o-y
Rental	Prime area: RM 4.10psf – RM10.50psf	

### Hotel

Existing Supply	45,527 rooms	↑ 11.3% y-o-y
Incoming Supply	2,862 rooms	

(Source: Rahim & Co Research, JPPH)



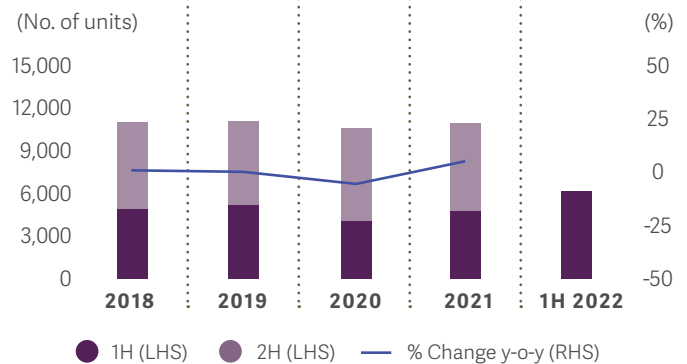
## Residential

The residential market of Kuala Lumpur continued its positive growth in transaction activity for 1H2022 by registering 28.4% and 58.1% growth in volume and value respectively from 1H2021, with 6,307 transacted units worth RM6,178.02 million. The transaction activities have returned to and grown beyond the pre-pandemic level where it recorded 5,289 units worth RM4,169.63 million in 1H2019. Adding the 1,274 serviced apartments worth RM1,073.9 million transactions and 54 SOHO units worth RM28.4 million, the growth would be slightly higher at 33.8% and 60.0% y-o-y in volume and value becoming 7,635 units worth RM7,280.3 million in 1H2022.

The condominium/apartment category had the most transactions with 3,191 units and they were largely priced at RM1 million and above at 20.5% share and followed by RM300,001 to RM400,000 at 19.4% share. Mukim Batu had the highest recorded sale of 862 units of total condominiums/apartments transactions and that too mostly in the RM1 million and above category. The second highest transacted residential category was the 2 to 3-storey terraced houses which had 932 units sold. The highest share of 35.0% was again made up by those priced at RM1 million and above. Being a city where most of the city centre land are commercial land, serviced apartment which is technically non-residential but is considered a dwelling property, catches a huge transaction market after condominiums/apartments.

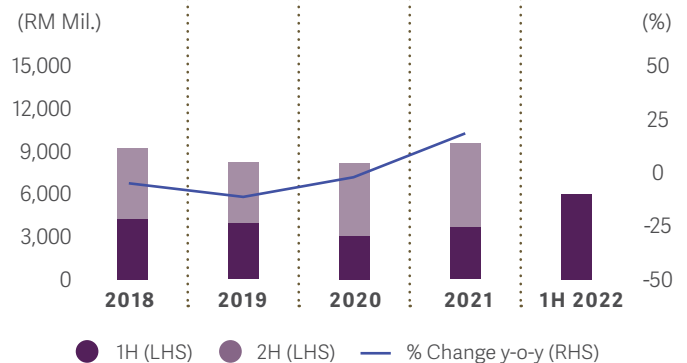
### Volume of Residential Property Transactions in Kuala Lumpur (2018-1H 2022)

(Source: JPPH)



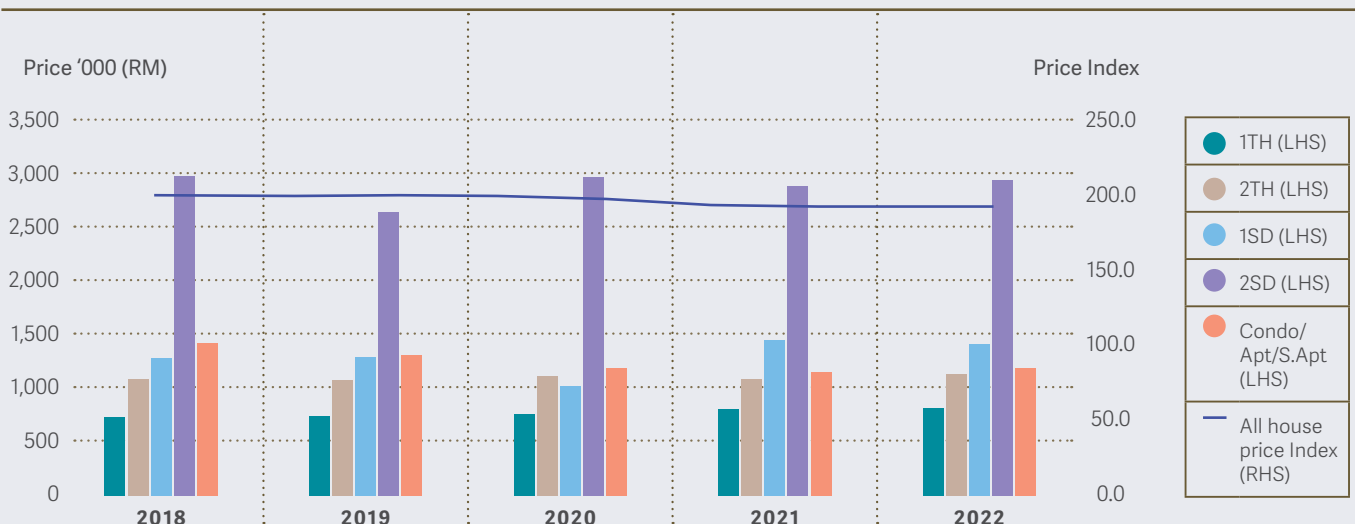
### Value of Residential Property Transactions in Kuala Lumpur (2018-1H 2022)

(Source: JPPH)



### Kuala Lumpur Residential Property Price Trend & House Price Index (2018-2022)

(Source: Rahim &amp; Co Research, IHRM)





## Selected Upcoming High-rise Residential Properties in Kuala Lumpur

(Source: Rahim &amp; 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
Kiara Bay	Kepong	Condominium	870	From RM567,800	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	2023
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
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



As at 1H2022, the cumulative supply of existing residential properties in Kuala Lumpur increased by 5.8% y-o-y to 531,302 units. The condominiums/apartments category formed the largest supply at 53.6% share and the second largest was low-cost flats at 18.8%. Serviced apartments and SOHO units made up a total of 99,682 units from 88,223 units in 1H2021, a rise of 13.0%. In terms of landed properties, 2 to 3-storey terraced houses made up the largest stock at 12.6% share of the total residential supply in Kuala Lumpur. As at 1H2022, the Federal Territory was expecting to receive 34,558 units of incoming supply of residential properties including 34,221 units of condominiums/apartments. There were also 65,356 serviced apartments and 7,565 SOHO units, largely in the Town of Kuala Lumpur.

The overhang units in Kuala Lumpur amounted to 3,371 in 1H2022, a decrease by 13.7% from 2021. A huge share of these overhang units was made up of condominiums/apartments at 96.5%. Overhang numbers for serviced apartments and SOHOs saw a slight drop of 0.9% during the same period. The unsold serviced apartments were mainly in Section 1-100 and Kuala Lumpur Town with 2,251 units and 1,419 units respectively, whereas for condominiums/apartments, it was higher in Mukim Petaling with 931 units. The price bracket with the largest overhang of serviced apartments was RM1 million and above, whilst for condominiums/apartments it was in the RM500,001 to RM600,000 bracket. According to NAPIC, a total of 435 new units were launched in 1H2022 with mostly condominiums/apartments priced between RM700,001 to RM800,000.

Unveiled recently in November 2022 by the Singapore-listed developer Oxley Holdings Ltd is Jewel by Oxley KLCC, a 267-unit serviced residences project sited within a 49-storey building that also encompasses a branded hotel. Offering various layouts from 1+1 to 3+1 bedrooms and dual-key types, the semi-furnished units ranged between 678 sf to 2,185 sf.

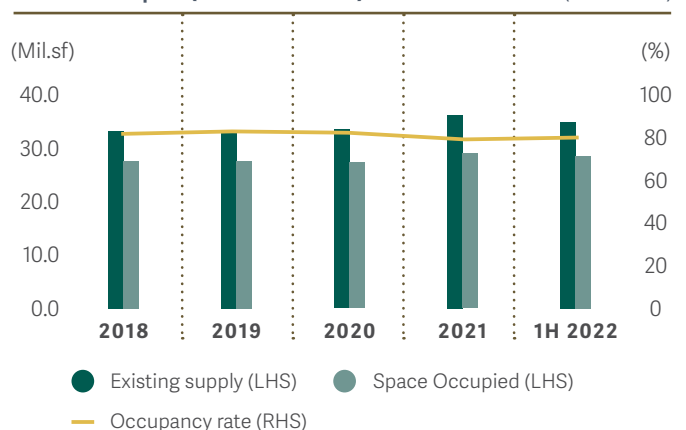
SWNK Houze, a component within Phase 2 of the Bukit Bintang City Centre (BBCC) project was also officially launched in 2022. The 31-storey tower atop an Entertainment Hub offers 441 serviced apartment units. They come in various sizes from 463 sf to 1,238 sf, in loft studio to 3-bedroom configurations. Another launch was Skylon Residences, a 38-storey residence in Bukit Ceylon by GBD Land Sdn Bhd. It has 178 units in 9 different layouts, with sizes varying from 518 sf to 1,250 sf. Both these projects are expected to be ready in 2025.

## Retail

As at 1H2022, the retail segment of Kuala Lumpur had an existing supply of 35.25 million sf of retail space with an overall occupancy rate of 81.6%, a slight increase from 2021's full year performance of 79.8% (no change compared to 1H2021's 81.6%). However, this improvement was an effect from the decrease in supply by 3.6% from 36.57 sf in 2021 rather than an expansion of occupied space. The occupancy rate for Kuala Lumpur was hovering above 80% for Kuala Lumpur prior to 2021 before it dropped in the same year with an increment of 8.5% in retail space supply amidst the effects of the pandemic. Of the total 111 retail complexes, 24 were in the Commercial Centre area and 15 in the Bukit Bintang area, but the latter had more retail space supply at 17.7% share while the former 11.9%.

### Existing Supply & Occupancy Rate of Retail Spaces in Kuala Lumpur (2018-1H 2022)

(Source: JPPH)



## Selected Upcoming Retail Malls in Kuala Lumpur

(Source: Rahim & Co Research)

Development	Location	Area (sf)	Expected Completion
Pavilion Damansara Heights (Phase 1)	Damansara Heights	533,000	2023
118 Mall @ Merdeka 118	Jalan Hang Jebat	850,000	2023
The Exchange TRX Mall	Tun Razak Exchange (TRX)	1,300,000	2023
8 Conlay	KLCC	200,000	2023
Oxley Tower	KLCC	258,000	2023

**“In the pipeline, future supply stood at 4.9 million sf across 9 retail complexes. In terms of retail space type, 66.7% of them were in shopping centers.”**

In the pipeline, future supply stood at 4.9 million sf across 9 retail complexes. In terms of retail space type, 66.7% of them were in shopping centers. Two of the upcoming complexes are in the Commercial Centre area, one in Bukit Bintang and the rest are scattered in other locations.

Mitsui Shopping Park Lalaport @ Bukit Bintang City Centre (BBCC), a retail complex within the TOD development along Jalan Pudu, opened its door in early January 2022. Jointly developed by EcoWorld, UDA Holdings and the Employees Provident Fund (EPF), it has a net lettable area of about 861,000 sf. With new completions coming online plus the incoming supply of retail spaces within the next 3 years, the outlook may remain less than rosy with added pressure on the overall occupancy rate and rental yields.

Two retail complexes were transacted in November 2022, and one of them was 163 Retail Park, a 7-storey retail complex in Mont Kiara. Having an estimated net lettable area of 255,500 sf, it was disposed of at RM270.5 million by its owner D’Kiara Place (YNH Property Bhd) to ALX Asset. Pavilion Bukit Jalil Mall, a 5-storey retail complex with a net lettable area of 1.82 million sf was acquired by Pavilion REIT at RM2.2 billion.

## Purpose-Built Office

As the capital city of Malaysia, Kuala Lumpur holds the highest supply of PBO space with 106.70 million sf as at 1H2022. With the supply growth of 1.0% from 2021, the occupancy rate dropped to 71.6% in 1H2022 (2021:73.3%). The office supply in Kuala Lumpur was showing an increasing trend even during the pandemic times as previous projects come to completion, pressuring down the occupancy rate from 78.3% in 2019.

As at 1H2022, privately-owned PBOs made up 94.5% of the total office space in Kuala Lumpur. Of this, 78.8% were sited in the City Centre location which encompasses Section 1- 100 and Town of Kuala Lumpur. The locality of Jalan Tun Razak has the biggest number of privately-owned PBOs at 38 units, with the largest share of 15.6% in the City Centre with 13.07 million sf space, followed by Jalan Ampang with 36 buildings with 11.9 million sf space. Outside the city (aptly known as “Outside City Centre” zone), Damansara Heights constituted 31 PBO buildings at a 23.2% share but Bangsar South has slightly more space with a 23.5% share across 28 PBOs.

Kuala Lumpur’s office market in 2022 was observed to be more active in tenancy movements as compared to the 2020 to 2021 pandemic periods, although still a little subdued. Maybank had in September 2022, inked a tenancy agreement with Permodalan Nasional Bhd (PNB) marking its corporate head office relocation from Menara Maybank in Jalan Tun Perak to Merdeka 118 tower in 2025. The tenancy agreement secures an initial term of 3 years plus renewal of 6 terms, summing up to an overall 21 years. On the other hand, HSBC Bank Malaysia had its branch along Leboh Ampang relocated to Menara IQ @ TRX. HSBC who owns the office building had in April 2022 occupied 22 floors of the 33-storey tower.

### Selected Upcoming PBOs in Kuala Lumpur

(Source: Rahim &amp; Co Research)

Development	Location	Area (sf)	Expected Completion
Felcra Tower	Jalan Sultan Yahya Petra	1.12 mil	2023
Merdeka 118	Jalan Hang Jebat	1.65 mil	2023
PNB 1194	Jalan Sultan Ismail	169,000	2023
Corporate Tower @ Sunway Velocity Two	Jalan Peel, Cheras	362,000	2023
Signature Office @ Oxley Tower	Jalan Ampang	346,000	2024
PHB Bangsar 61	Bangsar	548,000	2024

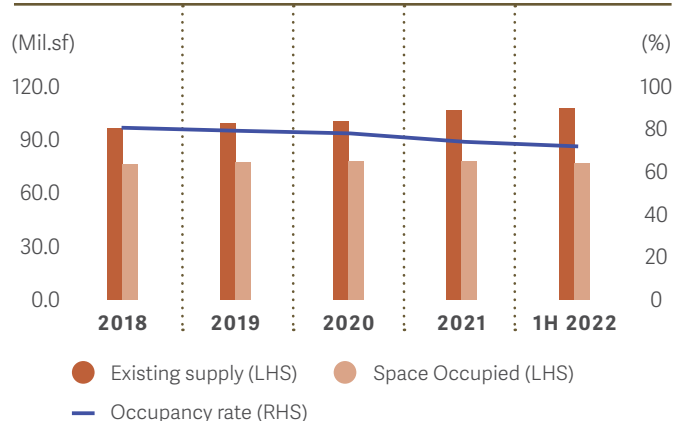
Oversupply continues to be a concern as the huge amount of office space keeps entering the market with an estimated 9.38 million sf more to come within the next few years. New completions of PBO offices in 2022 were Affin Tower @ TRX and UOB Tower 2 at Jalan Raja Laut. The former has an estimated 613,000 sf of office space whilst the latter has about 377,000 sf. The Stride @ BBCC is one stratified office building with about 440,000 sf of net lettable area that was completed in 2022. Aspire Tower @ KL Eco City and The MET Corporate Towers @ KL Metropolis were another two new completions of stratified office buildings with net lettable areas of 686,000 sf and 518,000 sf respectively. Pavilion Embassy Corporate Towers along Jalan Ampang comprising one en-bloc tower and one stratified tower with 360,000 sf each were also completed in 2022.

Notwithstanding the new buildings, older PBOs especially those classified as Grade B were also contributing to the oversupply due to their dated condition which is less attractive to tenants. Landlords were not keen to spend on asset enhancement exercises yet as businesses were still in recovery mode from the pandemic impact and the lingering uncertainty in the economic outlook, although many of them were seen undertaking studies on its potential.

The prevailing office market situation - with huge vacant space waiting to be taken up – is still not out of the woods as the newer buildings were offering competitive rents coupled with attractive rental packages. Also, tenant movements from older buildings to newer ones may not augur well for those old buildings. Adaptation to a hybrid working model by many organisations as a cost-cutting measure coupled with the support of improved

### Existing Supply & Occupancy Rate of Purpose-Built Office in Kuala Lumpur (2018-1H 2022)

(Source: JPPH)



technology has also led to the downsizing of office spaces. Under these circumstances, Kuala Lumpur's office rental continues to be under pressure.

For office transactions; Bangunan KWSP, a 13-storey office building in Changkat Raja Chulan was purchased by TIME DOTCOM Bhd from the Employees Provident Fund (EPF) Board at RM62.0 million in January 2022. This was a related party transaction as EPF is one of the shareholders in TIME. Three office buildings owned by Menara ABS (MABS) Bhd namely Menara Telekom Malaysia (TM), Menara TM Semarak and Wisma TM Taman Desa were put up for sale in early 2022. Formerly owned by Telekom Malaysia before it was sold to MABS in 2008, these buildings were offered via an Expression of Interest (EOI) exercise which ended in March 2022.



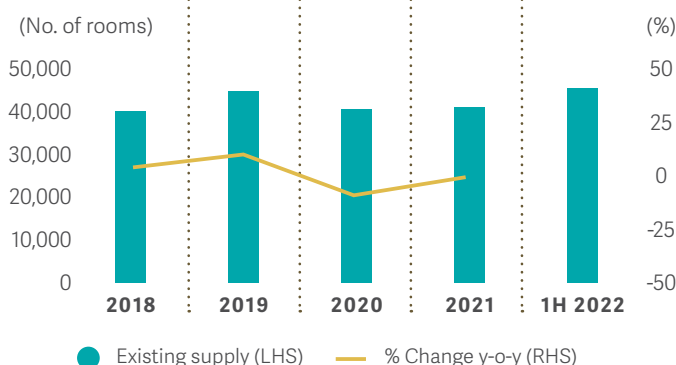
## Hotel

As at 1H2022, Kuala Lumpur's hotel room supply stood at 45,527 rooms, an increase of 11.3% y-o-y after a lull in growth in 2021 since the 8.7% drop witnessed in 2020 due to the hard-hit pandemic. The significant increase in hotel rooms was higher than that observed in 2019 at 10.1% and the existing stock in 1H2022 has surpassed 2019's number of 44,784 rooms. A share of 27.5% of the hotel rooms were of 5-star rated whilst 20.4% were of 3-star rated and 18.0% were 4-star rated. In the pipeline as at 1H2022 were 10 hotels with 2,862 hotel rooms.

Amari Kuala Lumpur, the 252-rooms hotel in SP Setia's KL Ecocity saw its opening in September 2022. Managed by ONYX Hospitality Group, the hotel offers "modern Thai hospitality". Ascott Star KLCC Kuala Lumpur (formerly Star Residences Tower 3), a high-end serviced apartment located along Jalan Yap Kwan Seng, was opened for business in May 2022. It accommodates 471 units of various sizes from 700 sf to 2,972 sf at starting price of RM1.6 million. Ascott, however, will manage only 298 studios and one and two-bedroom apartments. Parkroyal Collection Kuala Lumpur in Bukit Bintang, with 527 rooms and suites, opened in June 2022 while M Resort & Hotel, a local brand with a 385-room hotel in Damansara, had its soft opening in August 2022.

### Existing Supply of Hotels in Kuala Lumpur (2018-1H 2022)

(Source: JPPH)



Amongst the notable upcoming hotels are Park Hyatt Kuala Lumpur which will occupy the top 17 floors of Merdeka 118 and Kimpton Kuala Lumpur in Tun Razak Exchange. Oakwood Premier would be a serviced residence featuring 1 to 3-bedroom suites up to 1,300 sf, also within the Merdeka 118 tower building. Crowne Plaza will be making its brand entry into Malaysia via its Crowne Plaza Kuala Lumpur together with Crowne Plaza Kota Kinabalu in Sabah.

Other notable upcoming new brands in Malaysia include the Conrad Kuala Lumpur and the Waldorf Astoria Hotels & Resorts, both by Hilton. The former is to be developed by

### Selected Upcoming Hotels in Kuala Lumpur

(Source: Rahim &amp; Co Research)

Development	Location	Star Rating	No of Rooms	Completion
Park Hyatt Kuala Lumpur @ Merdeka 118	Jalan Hang Jebat	5	232	2023
Hyatt Place Kuala Lumpur	Bukit Jalil	4	250	2023
Crowne Plaza Kuala Lumpur	Jalan Yap Kwan Seng	5	318	2023
Conrad Kuala Lumpur	Jalan Sultan Ismail	5	544	2023
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
Kimpton Kuala Lumpur	Tun Razak Exchange	5	471	2025
Hotel Indigo on the Park	Jalan P Ramlee	5	180	2025
Edition Kuala Lumpur	KLCC	5	350	2025

Permodalan Nasional Berhad and the latter by Tradewinds Corporation Berhad with 544 and 279 rooms to be ready over the next two years. SO Sofitel Kuala Lumpur Hotel & Residence which is part of the Oxley Towers project in KLCC has a total of 590 apartment suites where the ground to the 21st floor would be the hotel with a total of 207 rooms. The hotel is to be managed by the Accor Group.

In August 2022, an ongoing hotel building in BBCC was purchased by UDA Holdings Bhd from its developer, BBCC Development. The hotel which is slated for completion in 2024, was transacted at RM295.0 million. Separately, the 398-room Sheraton Imperial KL was disposed of by its owner, Inter Heritage (M) Sdn Bhd at about RM250.0 million to Achi Jaya Group of Companies in July 2022.

## Notable Announcements

- As the nation is showing its care and concern for senior citizens, one senior-living product called Komune Living & Wellness was launched by UOA Development Bhd in May 2022. Located in Bandar Tasik Permaisuri, it comprises 791 rooms over 15 levels. A total of 656 are co-living or hotel rooms, 31 confinement units and 104 senior-living units.
- In May 2022, EUPE Corp Bhd who is a Kedah-based developer signed a conditional agreement to purchase 1.95 hectares of leasehold land along Jalan Damansara and Jalan Belfield in Kampung Attap from Cahaya Tinggi Sdn Bhd for RM125.0 million. The land is planned for a high-rise residential project development as part of the company's property development portfolio expansion.
- KLIA Aeropolis Sdn Bhd (KASB) and the Malaysian government signed a 99-year development agreement in November 2022 to allow the planning and development including the construction

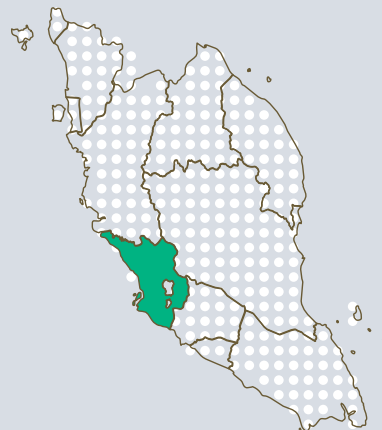
works of KLIA Aeropolis land measuring 3,454.92 hectares by KASB, the wholly-owned subsidiary of MAHB. KASB is also allowed to occupy, use, control, manage and sublease the land via its 99-year lease agreement with the Federal Lands Commissioner.

- MRT Putrajaya Line (Phase 1) covering 12 stations from Kwasa Damansara to Kampung Batu commenced its operation in June 2022. Meanwhile, Phase 2 stretching from Kampung Batu to Putrajaya Sentral commenced its final trial run in November 2022 and will begin operation in January 2023.
- MRT Corp issued a notice of tender for 3 main construction packages for MRT3 in May 2022, signalling the revival of the MRT3 project. With an estimated construction cost of RM31 billion, involving 31 stations over 50.8 km of rail lines, Phase 1 of MRT3 is expected to be opened in 2028 and Phase 2 in 2030.

# Selangor Darul Ehsan



Altinsburg Lighthouse, Kuala Selangor



Capital: Shah Alam

Est. Population: 7,038,200

Area (km<sup>2</sup>): 7,951

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	1,640,081 units	↑ 1.6% y-o-y
Transaction Volume	27,501 units	↑ 16.0% y-o-y
Transaction Value	RM15,094.76 mil.	↑ 21.6% y-o-y

### Retail

Supply	40.92 mil. sf	↑ 2.5% y-o-y
Occupancy Rate	77.7%	↓ 1.1% y-o-y
Rental	Prime: RM12.70psf – RM40.10psf	

### Purpose-Built Office

Supply	47.53 mil. sf	↑ 3.0% y-o-y
Occupancy Rate	69.4%	↑ 1.0% y-o-y
Rental	Prime area: RM2.40psf – RM6.50psf	

### Hotel

Existing Supply	24,201 rooms	↑ 5.2% y-o-y
Incoming Supply	625 rooms	

### Industrial

Supply	41,422 units	↑ 0.6% y-o-y
Transaction Volume	1,219 units	↑ 33.2% y-o-y
Transaction Value	RM5,140.37 mil.	↑ 48.4% y-o-y

(Source: Rahim & Co Research, JPPH)

## Residential

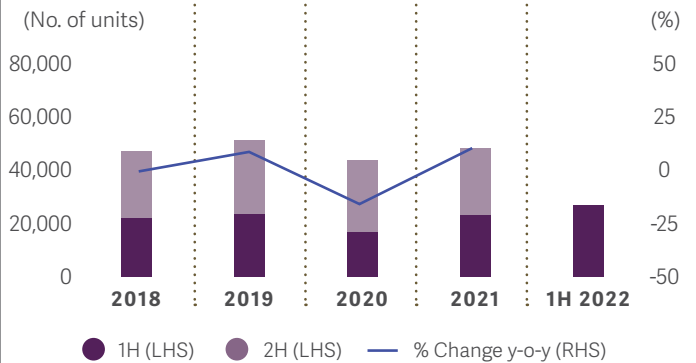
Selangor's residential sector registered 27,510 transactions worth RM15,094.76 million as at 1H2022, equivalent to a rise of 16.0% in volume and 21.6% in value from 23,710 units worth RM12,413.79 in 1H2021. The performance had surpassed 1H2019 pre-pandemic level that recorded 24,044 transactions worth RM11,684.59 million. Including all dwelling-type properties, i.e. serviced apartments and SOHO units, the improvement recorded in 1H2022 was greater at 17.0% and 22.3% y-o-y, at a total of 28,747 units worth RM15,691.90 million.

The transactions of 2 to 3-storey terraced houses were the most at 9,904 units or 36.0% share followed by condominiums/apartments at 4,988 units or 18.1% share. Some 17.4% of the transacted 2 to 3-storey terraced houses were priced at RM400,001 to RM500,000 whilst 34.6% of condominiums/apartments were in the price bracket of RM200,001 to RM300,000.

In terms of existing supply, the residential sector of Selangor saw an increase of 1.6% from 2021 to 1.64 million units in 1H2022. Residential properties in the state had the largest concentration in the district of Petaling at 32.6% share and followed by Hulu Langat at 23.3% share. Landed residential houses dominated at 58.3% of the state's residential supply. By type, the 2 to 3-storey terraced houses were the most with 511,742 units, followed by

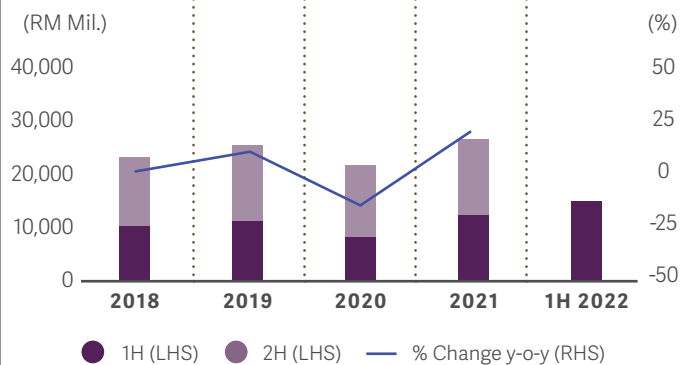
**Volume of Residential Property Transactions in Selangor (2018-1H 2022)**

(Source: JPPH)



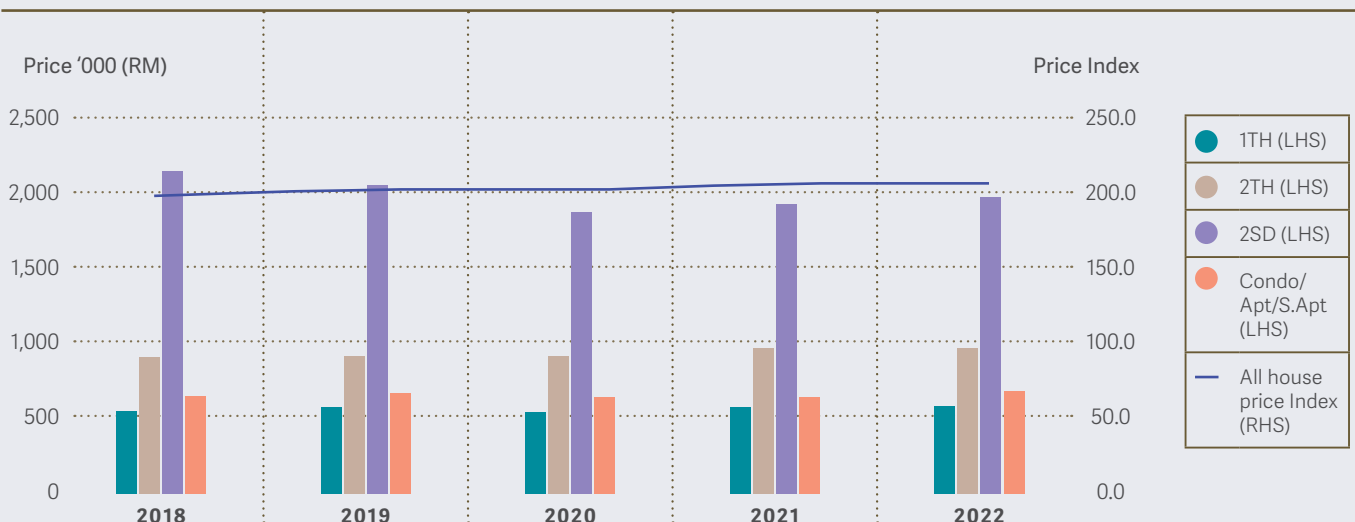
**Value of Residential Property Transactions in Selangor (2018-1H 2022)**

(Source: JPPH)



**Petaling Jaya Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)





### Selected Upcoming Landed Residential Properties in Selangor

(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)	Bandar Bukit Raja, Klang	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)	Bandar Baru Salak Tinggi	2-sty Terraced	270	From RM592,000	2025
Hayla 2 @ Daunan	Alam Perdana	2-sty Terraced	205	From RM658,000	2025

condominiums/apartments at 393,009 units. The serviced apartment and SOHO supply in Selangor which increased by 7.2% y-o-y, were prevalent in the Petaling district with a total of 69,290 units from the state's total of 127,396 units.

As at 1H2022, the incoming supply stood at 104,050 units mostly in Sepang district, where Cyberjaya conurbation is, at 19.8% share of the total. Petaling and Klang districts were next with 15.9% and 15.7% shares respectively, contributed largely by huge amounts of condominiums/apartments and 2 to 3-storey terraced houses. Of the

total 66,460 incoming supply of serviced apartments and SOHO units, 41.5% were in Petaling and 22.8% in Hulu Langat districts.

Overhang residential properties in Selangor reduced to 5,156 units in 1H2022, down by 15.4% from 2021. Looking at the high existing and incoming supply of the two main categories of residential properties in Selangor, the overhang was largest in condominiums/apartments category at 72.8% and 2 to 3-storey terraced houses at 12.5% share. The highest condominiums/apartments

### Selected Upcoming High-Rise Residential Properties in Selangor

(Source: Rahim & Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
MKH Boulevard 2	Kajang KTM Stn	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 KTM Stn	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

overhang was from Gombak district and the 2 to 3-storey terraced houses were mostly in Sepang district. The unsold condominiums/apartments were mainly in the price category of RM200,001 to RM300,000 and RM1 million and above at almost equal distribution. It is also important to note that Selangor had an overhang of 3,386 serviced apartments and SOHO units, a drop from 3,489 units in 2021. A share of 41.0% came from the Petaling district followed by 20.9% in Hulu Langat. The unsold-completed serviced apartments were mainly priced at RM500,001 to RM600,000.

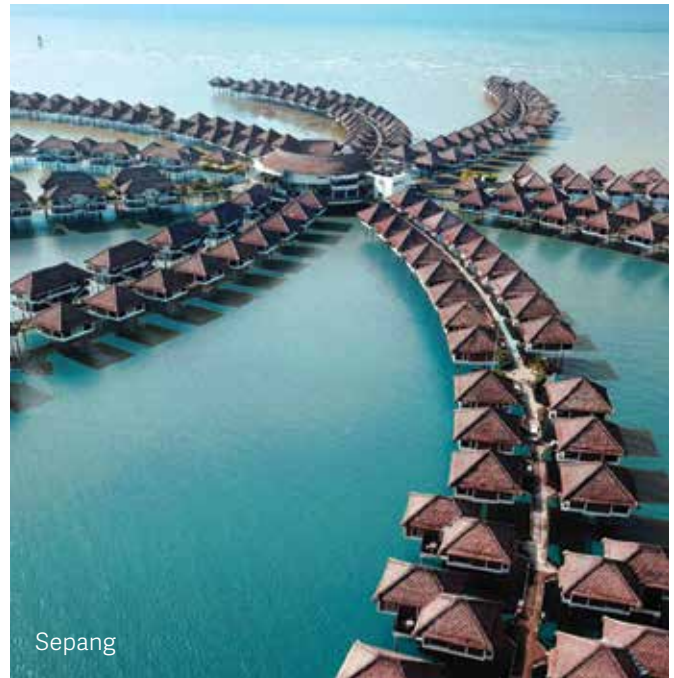
Selangor saw a total of 1,256 new launches primarily of 2 to 3-storey terraced houses. One of the many launches in 2022 includes Hana Residences, the final villa series of Tropicana Aman in Kota Kemuning. It encompasses 130 units of 2-storey semi-detached and 2 to 3-storey detached houses priced from RM2.34 million. It is targeted for completion in 2025. Meanwhile, the Setia Alam township development by S P Setia unveiled its Musika Homes at Altor. Musika Homes was the final 2-storey terraced houses to be offered by Setia Alam with 114 units priced from RM963,000 per unit.

Two notable revivals of abandoned residential projects in Selangor were Empire Remix 1 in Subang Jaya and 168 Selayang Park in Selayang. Empire Remix 1 in USJ1 Subang Jaya, is said to be taken over by HCK Capital Group Bhd after a similar exercise was done for Empire Remix 2 which was renamed Edumetro. 168 Selayang Park, formerly known as Selayang Star City, has been taken over by Infra Segi Sdn Bhd. Upon completion, the project will have 3 residential towers and a 2-level community mall with 235,000 sf retail space. The mall is targeted for opening in early 2024.

## Retail

Selangor's retail market saw an additional 770,000 sf in 1H2022, an increase of 1.9% from 40.1 million sf in 2021. The Damansara locality had the largest retail space in Selangor within its 10 retail complexes having a total of 5.43 million sf space. Shah Alam follows next with 5.33 million sf retail space which made out a 13.0% share. Klang and Subang Jaya/Sunway have an almost equal share of space at about 12% of the total supply of the state. About 75% of retail spaces in Selangor were made up of shopping centers and 22% of hypermarkets, while the rest were arcades. There is approximately 5.2 million sf of retail space expected to come on stream for Selangor. Datum Jelatek Mall along Jalan Jelatek in Ampang with an area of approximately 320,000 sf was completed in 1H2022 and opened for business in November 2022.

One of the upcoming retail complexes would be a new neighborhood mall called Megah Rise Mall by PPB Properties. Forming part of an integrated development



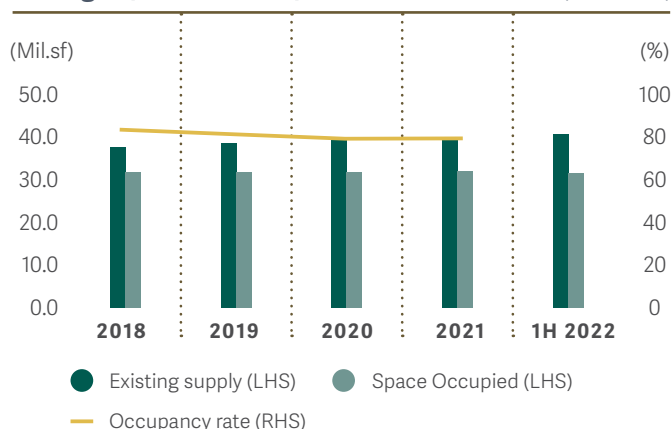
in Petaling Jaya, it is a 4-storey mall with 142,000 sf retail space to be ready by early 2023. Another one would be KSL Esplanade Mall in Klang with a lettable space of about 650,000 million sf. The mall is part of the Bandar Bestari Klang integrated development and will be completed in 2024. Another mall to be completed in 2024 would be Elmina Lakeside Mall with 240,000 sf retail space, a component of the City of Elmina development in Shah Alam by Sime Darby Property.

IOI City Mall in Putrajaya opened its Phase 2 in August 2022 and together with Phase 1, it is the largest retail complex in Malaysia with a total net lettable area of 2.5 million sf.

## Purpose-Built Office

**Existing Supply & Occupancy Rate of Retail Spaces in Selangor (2018-1H 2022)**

(Source: JPPH)

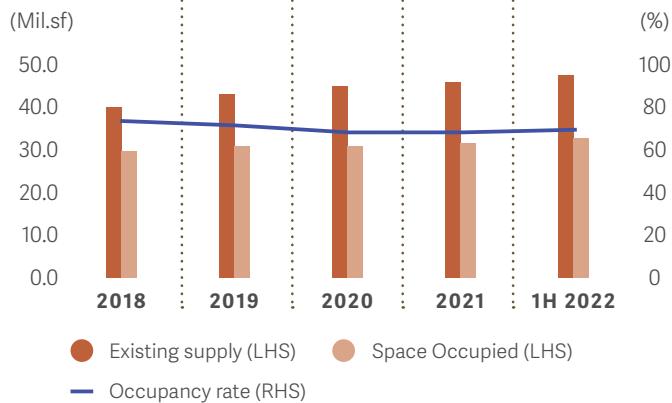


Selangor's purpose-built office (PBO) sector increased in supply by 3.1% y-o-y to 47.5 million sf in 1H2022. The office supply in Selangor has been on the rise in the past 10 years at a CAGR of 3.46% while occupancy rate has been decreasing. The occupancy rate dipped below the 70% mark in 2020 to 69.2% and to 68.8% in 2021. In 1H2022, it managed to pick up to 69.4% even with an addition of 1.4 million sf of space.

Out of 262 PBO buildings in Selangor, 240 were privately owned making up 93.3% of the total office space in the state. A total of 83 buildings with 19.9 million sf of space were in Petaling Jaya, whereas Sepang/Cyberjaya had 7.4 million sf across 45 buildings and Shah Alam with 7.08 million sf of space within 47 buildings.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Selangor (2018-1H 2022)

(Source: JPPH)



KDCC Office Tower 1 @ Kwasa Damansara City Centre, a PBO building with a net lettable area of 219,400 sf and The Corporate Suite@19 with 30,000 sf of office space at Sunway Resort Hotel were completed in 2022.

Atwaters (Tower A & B) in Section 13 with a total net lettable area of 366,870 sf was expected to be ready by end of 2022. These two blocks were put up for sale in 2021 by its developer Paramount via an en bloc sale at a total price of about RM318.0 million.

Menara Sumurwang @ i-City Finance Avenue with an office space of 320,000 sf has been renamed to Mercu Maybank in April 2022, in conjunction with the relocation of some 1,500 Maybank staff there as part of its business continuity management plan. NAZA TTDI had also in October 2022, moved its headquarters into the newly completed Menara NAZA TTDI in Section 13, Shah Alam. The 20-storey office tower which is part of TTDI Adina integrated development has a total office space of 306,000 sf.

Permodalan Negeri Selangor Berhad (PNSB) had in March 2022 unveiled its plan to build a complex on a 90.21-acre site in Section 5, Shah Alam. To be developed in two phases over 4 to 5 years, it would comprise a state government complex to serve as its new administrative center in Phase 1 (30-acre) and commercial component and condominiums in Phase 2 (60.21 acres).

Luxchem Trading Sdn acquired Block N at Jaya One, Petaling Jaya from Worldwide Emergency Assistance (Malaysia) Sdn Bhd at RM19.88 million in April 2022. The purchase was intended for the expansion of its existing head office in Damansara Utama to this new building with

an office space of 28,000 sf. In July 2022, Menara AmFirst in Petaling Jaya was disposed to Forever Backup Sdn Bhd at RM62.0 million by AmFirst REIT. In November 2022, Country Heights Holdings Bhd acquired The Heritage @ Mines Wellness City in a public auction at RM44.0 million. The property is a 10-storey office building with a net lettable area of 150,000 sf.

## Hotel

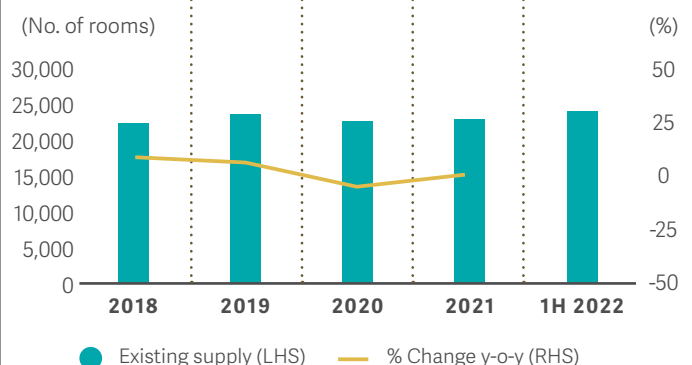
The number of hotel rooms in Selangor increased by 5.2% y-o-y to 24,201 rooms in 1H2022. As at 1H2022, Selangor had the second highest number of 5-star-rated rooms at 7,278 rooms after Kuala Lumpur. That was 30.1% of the total rooms in the state, followed by 5,270 rooms in the 3-star category and 14.9% in the 4-star category. Based on official data as at 1H2022, Selangor had 2 incoming hotels with 625 rooms in future supply.

Double-Tree Hilton @ i-City Financial Avenue, a 300-room contemporary hotel, was recently completed in 2022. The hotel will complement the i-City Convention Centre and other components in i-City Financial Avenue. New World Petaling Jaya re-launched under a new management with its new branding i.e. Le Meridien Petaling Jaya, in June 2022. The hotel has 300-rooms and is 5-star rated. Sunway Resort Hotel had since May 2022 started opening its refurbished rooms with the first batch of 238 rooms out of a total of 460 rooms.

With the growing medical tourism in the country, Palace of the Golden Horses @ Mines Resort in Seri Kembangan will be converted into a wellness hotel that would incorporate a rehabilitation center with facilities and a confinement

### Existing Supply of Hotels in Selangor (2018-1H 2022)

(Source: JPPH)





center. The hotel was partially closed in 2020 for a refurbishment exercise and was re-opened in January 2021.

Mercure Kuala Lumpur Glenmarie in Shah Alam had its opening in April 2022. Forming part of Utropolis Glenmarie, the 8.4-hectare integrated development that comprises Utropolis Marketplace Mall, serviced apartment blocks and the University of Wollongong-KDU College campus, the 4-star hotel offers a total of 229 rooms.

## Industrial

Selangor, one of the key industrial states in Malaysia, recorded 1,219 industrial transactions worth RM5,140.37 million in 1H2022, surpassing pre-pandemic's performance in 1H2019. Industrial transaction volume grew by 33.2% y-o-y in 1H2022, though at a lower pace in the previous year due to base effect. The activities were contributed by vacant plot transactions at 38.7% share, followed by detached factories at 26.0% but the highest volume of transactions was for terraced factories accounting for 46.4% of the total industrial property transactions.

The existing stock of industrial properties in Selangor increased to 41,422 units in 1H2022 from 41,178 units in 1H2021, a rise of 0.6%. District of Petaling had the largest stock distribution at 34.8% share, followed by Klang and Hulu Langat districts at 20.9% and 17.8% share respectively. Another 1,467 units of new industrial properties make up the incoming supply pipeline for Selangor. Most of them are in the industrial stronghold areas of Petaling and Klang districts.

The overhang numbers in the industrial sector of Selangor have dropped to 31 units in 1H2022 from 50 units in 1H2021. All of the 31 units were of semi-detached units located in the district of Gombak. Selangor fares better than the other key industrial states in terms of its small overhang numbers.

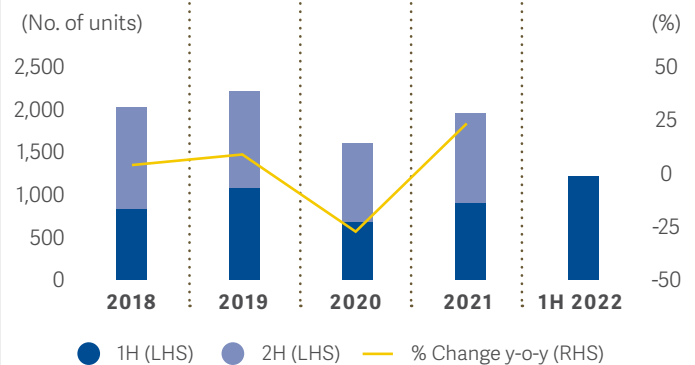
In 1H2022, Selangor received RM14.0 billion worth of approved investments, the second highest in the country after Johor. This was an increment from RM13.3 billion approved investments in 1H2021. In terms of manufacturing, the state received RM4.9 billion in investment of which 67.3% was from foreign direct investments. With that, the state is optimistic to hit the RM10.0 billion targeted approved investments in manufacturing for 2022, despite the challenging global economic environment.

The Selangor State Government passed the 5-year state strategic plan, Rancangan Selangor Pertama (RS-1), in August 2022 in its effort to strengthen the state's economic resilience and sustainable growth. Under this plan, there were 9 high-impact focus industries identified for Selangor and they are Ports and Logistics, Digital Economy, Aerospace, Electrical & Electronics (E&E), Mechanical & Engineering, Halal, Automotive, Life Sciences and Tourism & Agrotechnology.

One of the upcoming industrial developments that fall in line with the focus-industries is the RM1.4billion Compass @ Kota Seri Langat that is jointly developed by Permodalan Nasional Berhad (PNB) through its subsidiary MIDF Property Bhd, with AREA Group of Companies and KWEST Sdn Bhd (subsidiary of KWAP). Officially launched in August 2022, the 220-acre project will offer "built-to-suit" warehouses and manufacturing facilities for sale or lease, "built for sale" detached factories and managed

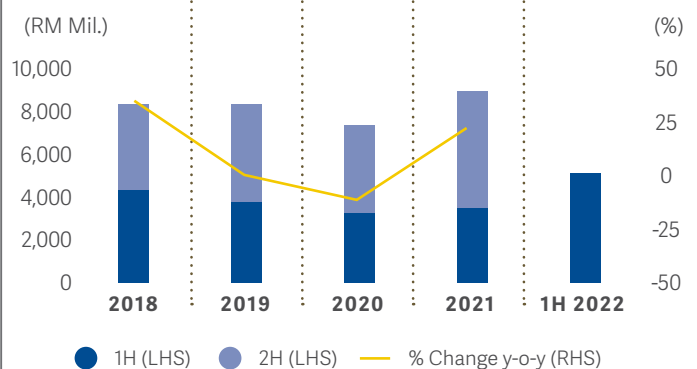
**Volume of Industrial Property Transactions in Selangor (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Selangor (2018-1H 2022)**

(Source: JPPH)



worker's accommodation. The project will be served with a dedicated interchange to WCE and it is slated for completion in 2027.

Taking advantage of the growing logistics sector and its foreseen bright future, the Employees Provident Fund (EPF) entered into an agreement with Ally Logistic Property Co Ltd. (ALP) for its investment in the development of a 100% pre-leased logistics hub in Bukit Raja, Klang. The hub is a 27-acre development to be completed by 2024.

Once ready, the entire warehouse will be leased out to ALP under a 15-year master lease agreement. On another note, SKB Shutters Corporation Bhd purchased a 9.81-acre piece of land in Eco Business Park V in Kuala Selangor at RM36.0 million.

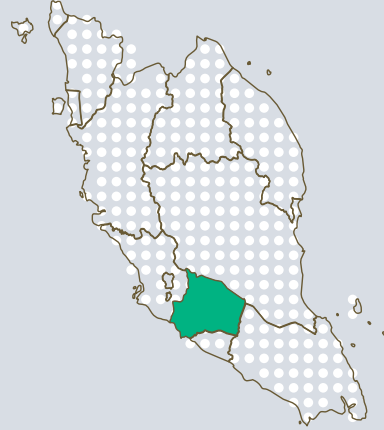
## Notable Announcements

- The East Coast Rail Link (ECRL) C2 stretch which passes through Selangor from Gombak to Port Klang, including the Puncak Alam station is anticipated to be ready by 2027. The Puncak Alam station was added to the original alignment in mid-2022.
- Petaling Jaya Traffic Dispersal Elevated Highway (PJD LINK), Putrajaya-Bangi Expressway (PBE) and Kuala Lumpur Northern Dispersal Expressway (KL-NODE) were granted approval in principle by the Works Minister in 2022. KL-NODE is a 24-km proposed highway connecting the Eastern and Northern traffic corridors of Klang Valley which is expected to start construction in 2024. Upon completion, it will connect East Klang Valley Expressway (EKVE) and KL-Kuala Selangor Expressway (LATAR) and is expected to help ease the congestion on the Middle-Ring Road 2 (MRR II).
- Sungai Besi-Ulu Kelang Elevated Expressway (Suke), a 24.4 km stretch from Sri Petaling to Ulu Kelang was opened to public in September 2022. The expressway is expected to reduce the congestion on MRR II in areas like Cheras, Pandan Indah and Ampang.
- The state government announced its plans in July 2022 to develop a 2,000-acre mixed-development land into an aerospace park in Sepang. Dubbed Selangor International Aero Park (SAP), it is designed to be a free trade zone and caters to activities such as MRO, aircraft maintenance, aircraft retrofitting, engines and aero manufacturing, training and research centers, and development labs.
- In September 2022, Lagenda Properties Bhd in collaboration with the Selangor government announced its plans to embark on the first large-scale landed affordable township on a 191-acre land in Bernam Jaya. The township would offer 2,000 units of landed homes capped at RM250,000 and below. The construction of this development can be expected to start by end 2023.
- In November 2022, e-Curve Mall in Mutiara Damansara which was closed down in March 2021 is to be re-developed into a high-rise residential development by its owner, Boustead Properties Sdn Bhd.

# Negeri Sembilan Darul Khusus



Masjid Sri Sendayan, Seremban



Capital: Seremban

Est. Population: 1,209,000

Area (km<sup>2</sup>): 6,656

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	294,616 units	↑ 1.2% y-o-y
Transaction Volume	7,305 units	↑ 42.1% y-o-y
Transaction Value	RM2,542.08 mil.	↑ 55.2% y-o-y

### Retail

Supply	6.52 mil. sf	↑ 1.4% y-o-y
Occupancy Rate	67.1%	↑ 0.8% y-o-y
Rental	Prime: RM 3.20psf – RM 35.40psf	

### Purpose-Built Office

Supply	3.69 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	90.9%	↓ 0.2% y-o-y
Rental	Prime area: RM1.20psf – RM 3.80psf	

### Shop Office

Supply	26,651 units	↔ 0.0% y-o-y
Transaction Volume	449 units	↑ 73.4% y-o-y
Transaction Value	RM249.66 mil.	↑ 53.8% y-o-y

### Hotel

Existing Supply	9,542 rooms	↑ 1.6% y-o-y
Incoming Supply	1,546 rooms	

### Industrial

Supply	5,556 units	↑ 0.5% y-o-y
Transaction Volume	302 units	↑ 73.6% y-o-y
Transaction Value	RM445.17 mil.	↑ 62.7% y-o-y

(Source: Rahim & Co Research, JPPH)

## Residential

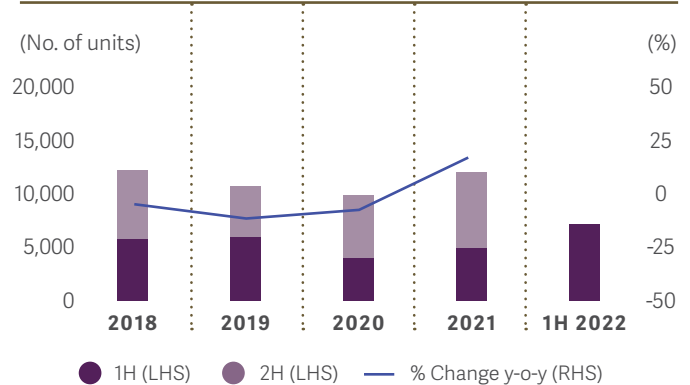
The residential sector performance of Negeri Sembilan had surpassed the pre-pandemic transaction activity by registering 7,305 transactions worth RM2.54 billion in 1H2022. This was a rise of 42.1% in volume and 55.2% in value from 1H2021. Units in the ranges of RM300,001 to RM400,000 and RM500,001 to RM600,000 were the most transacted for 2 to 3-storey terraced houses that made up the bulk of transactions. Additionally, the state had 22 units of serviced apartment transactions in 1H2022 with a total value of RM3.84 million.

Negeri Sembilan's existing stock of residential properties stood at 294,616 units, a rise of 1.2% from 1H2021. Landed houses were the most amounting to 89.4% of the total stock. Single-storey terraced houses dominate the landed houses supply market at 39.1% followed by 2 to 3-storey houses at 26.4% share. Overall, Seremban district constitutes the largest residential stock with a 69.6% share. Negeri Sembilan was, as at 1H2022, expecting an incoming supply of 17,038 landed houses and 3,364 condominiums/apartments.

As at 1H2022, Negeri Sembilan had a total of 11,285 serviced apartments and 104 units of SOHO, no movement from 1H2021. While Seremban has more numbers of condominiums/apartments, high presence of serviced

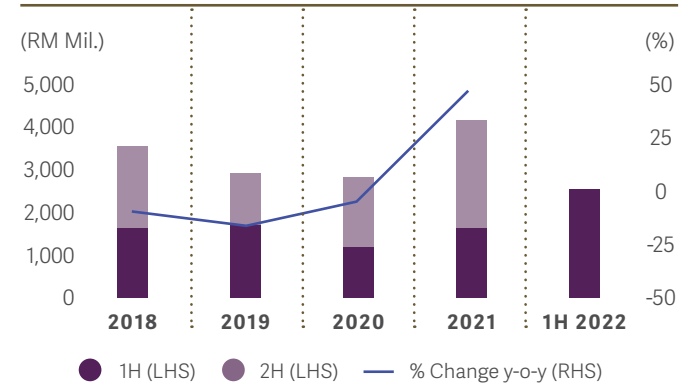
**Volume of Residential Property Transactions in Negeri Sembilan (2018-1H 2022)**

(Source: JPPH)



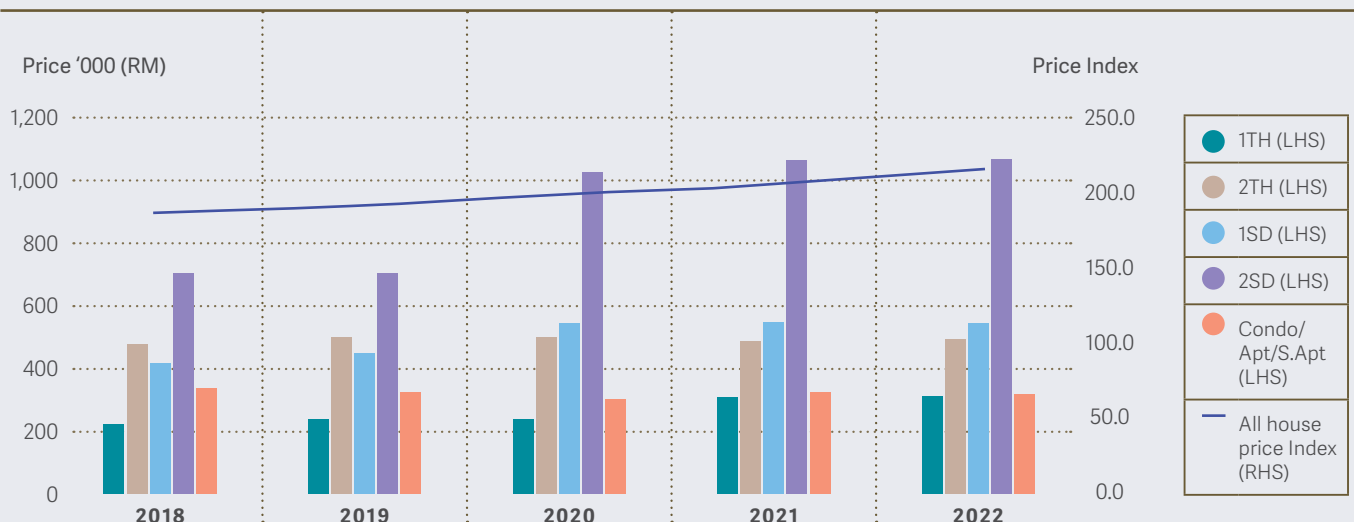
**Value of Residential Property Transactions in Negeri Sembilan (2018-1H 2022)**

(Source: JPPH)



**Seremban Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)





### Selected Upcoming Landed Residential Properties in Negeri Sembilan

(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	Seremban 2	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 Sutura	Bandar Sri Sendayan	2-sty Terraced	255	From RM609,888	2023
Clover (Phase 2)	Bandar Sri Sendayan	2-sty Terraced	183	From RM628,000	2023
Lyra @ Bayu Sutura (Precinct 1B)	Bandar Sri Sendayan	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)	Seremban 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	Seremban	1-sty Semi-Detached	180	From RM534,420	2023
Erama (Phase 8B) @ Iringan Bayu	Seremban	2-sty Semi-Detached	142	From RM680,000	2023
Kemayan Heights	Seremban	2-sty Semi-Detached	120	From RM922,000	2024
Arden Hill@Forest Heights	Seremban	2-sty Terraced	218	From RM492,000	2024
Dayana 2 (Phase 2) @ Nilai Impian	Nilai	2-sty Terraced	78	From RM527,888	2024
Lyra @ Bayu Sutura (Precinct 1A)	Nilai	2-sty Terraced	153	From RM615,888	2024

### Selected Upcoming High-Rise Residential Properties in Negeri Sembilan

(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

apartments and SOHO units is also notable in Port Dickson. Port Dickson had 7,944 units of existing serviced apartments whereas Seremban had 3,341 serviced apartments and 104 SOHO units. Nevertheless, Seremban has 4,877 serviced apartment units in the pipeline.

The overhang market of Negeri Sembilan for its residential properties had decreased by 26.4% to 1,031 units in 1H2022. The 2 to 3 storey terraced houses were the highest unsold-completed stock at 457 units followed by 262 units of condominiums/apartments. Overall, the overhang units were mainly priced between RM300,001 and RM400,000, but, for the 2 to 3-storey terraced houses, there were more in the price range of RM500,001 to RM600,000.

Only 379 residential units excluding serviced apartments and SOHO units were newly launched in 1H2022 in Negeri Sembilan, where 85% were 2 to 3-storey terraced houses. Taking advantage of the flourishing residential segment of Negeri Sembilan, the well-known township development, Seremban 2 by IJM Land had in 2022 unveiled its "ARENA", an 8-acre residential enclave consisting 96-units of 2-storey link homes. The units with built-up areas ranging between 2,381 and 2,733 sf with land sizes of 22' X 65' were launched at RM RM701,820 to RM1.086 million. It is scheduled for completion in 2024.

## Retail

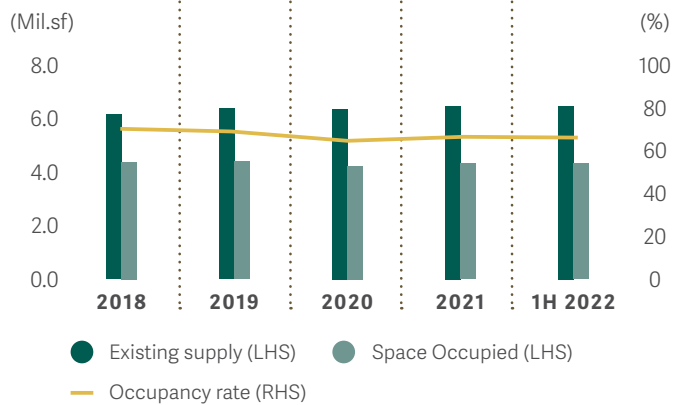
The retail sector of Negeri Sembilan had not grown in its stock after an increase in 2021 to 6.52 million sf of space. The occupancy rate which had been on a declining trend, regained slightly to 67.1% in 1H2022 from 66.8% in 2021. Negeri Sembilan had a total of 93 retail complexes as at 1H2022 and 34 of them are in Seremban which constitutes 58.9% of total retail space.

Interestingly, Negeri Sembilan has more arcades than shopping centers and hypermarkets at 41 units. However, in terms of retail space, slightly more than half were shopping centers. Seremban houses the big bulk of this space at 61.7% share followed by Putra Nilai at 18.1% within its 4 shopping centers. Seremban also has 10 arcades and hypermarkets each but more in hypermarket space at 38.2% share, from its total retail space.

As at 1H2022, Port Dickson was expecting to bring in one retail complex with 59,567 sf of retail space into the state soon. With such a low amount of incoming supply and

## Existing Supply & Occupancy Rate of Retail Spaces in Negeri Sembilan (2018-1H 2022)

(Source: JPPH)



improving occupancy levels of retail complexes here, the retail segment of Negeri Sembilan is expected to see a stable movement in its supply and demand balance.

A commercial building tenanted by TF-Value Mart in Port Dickson was sold by the property owner TSR Capital Berhad. The building with an estimated floor area of 75,000 sf was transacted at RM23.8 million.

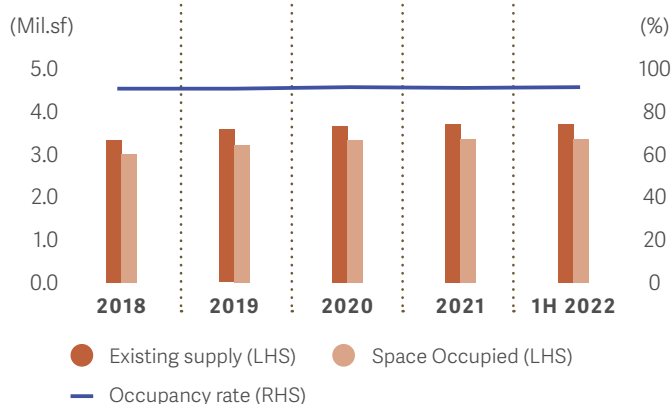
## Purpose-Built Office

The purpose-built office sector of Negeri Sembilan was stagnant in its existing supply movement since 2021. The supply stood at 3.69 million sf and the occupancy dropped to 90.9% in 1H2022 from 91.1% in 2021. However, the occupancy rate for the PBO sector of Negeri Sembilan has been holding well above 90% in the past 10 years with the supply increasing at a CAGR of 1.82%. The stable occupancy rate in the state is explained by the fact that three-fifths of the PBO buildings here were government owned. Out of 108 total buildings, only 44 were privately owned.

Seremban is the capital city and has the highest number of PBOs at 44 units with 2.13 million sf followed by Seremban 2, Kuala Pilah and Tampin with 11 and 10 buildings respectively. Seremban 2 would have another 3 PBOs in the pipeline with a total of 95,056 sf lettable space where all of them are privately owned. Seremban 2, well known for its township developments, is expanding in the office sector by building more PBOs.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Negeri Sembilan (2018-1H 2022)

(Source: JPPH)



## Shop Office

Negeri Sembilan's shop-office segment showed signs of recovery in 1H2022 as it registered 449 transactions worth RM249.66 million. As the second half of the year 2020 and 2021 recorded higher volume and value of transactions than the first half, it is likely that 2022's total would grow beyond the pre-pandemic level.

The existing stock of Negeri Sembilan stood at 27,173 units in 1H2022, a rise of only 12 units from 1H2021. Undoubtedly, Seremban has the largest presence of shop offices at 17,480 units, making up 64.3% of the total supply. Being the business district of the state, commercial activities is higher here compared to other towns.

Incoming supply for Negeri Sembilan was recorded at 904 units as at 1H2022 and the big chunk of it was from the 2 to 2½-storey shop-offices. As 43.3% of this incoming supply are to go into Seremban, some 24.0% would go into Tampin and 21.9% to Port Dickson. A total of 209 units of 3 to 3½-storey shop-office was also noticed in the incoming supply.



On the overhang side, Negeri Sembilan had 477 units of unsold stock after nine months of launch as at 1H2022. This was a slight increase from 464 units in 2021. About 55% of these were from the 2 to 2½-storey shop office units and mainly from Tampin and not Seremban. In saying that, Seremban still contributed to the high volume via its stratified shop offices and the 3 to 3½-storey shop offices. The overhang properties were predominantly in three different price brackets of RM400,001 to RM500,000, RM1million and above and RM100,001 to RM200,000 in respective order.

### Selected Upcoming Shop-offices in Negeri Sembilan

(Source: Rahim &amp; 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



## Hotel

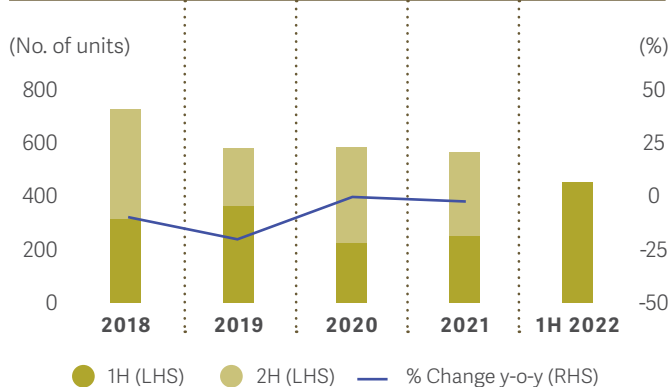
Negeri Sembilan's hotel sector saw some movement in its hotel room supply in 1H2022 after a quiet 2021. The existing number of rooms increased by 1.6% to 9,542 units in 1H2022 from 9,396 units in 2021. With 143 hotels, 7 hotels with 2,139 rooms were 4-star rated whilst 4 hotels with 1,766 rooms were 5-star rated. A total of 12 hotels but with only 990 rooms were 3-star rated and a majority of hotels here were unrated. Five more hotels with 1,546 rooms were in the pipeline for Negeri Sembilan as at 1H2022.

With Port Dickson, a famous holiday destination for its beach resort especially for the locals, Negeri Sembilan has 27 hotels with 3,540 rooms in its coastal area. A total of 105 hotels with 5,435 rooms were located in the city or town area. As at 1H2022, another 1,546 hotel rooms were noted in the incoming supply basket of Negeri Sembilan. One of them would be the Lexis Hibiscus 2 by Kuala Lumpur Metro Group accommodating 760 rooms. This beach resort would be a site adjacent to the existing Lexis Hibiscus in Port Dickson. Slated for completion by 2024, it will house 582 water villas and 178 sky villas together with amenities especially the largest ballroom in the state with 2,000 seating capacity.

Since the hotel sector of the state was highly impacted during the lockdown periods and although the occupancy rates of hotels started improving thereafter with the opening of international borders, concerns were still afloat for the sector due to reduced spending power. A more budgeted lifestyle and less luxury spending are expected in the environment of rising inflation.

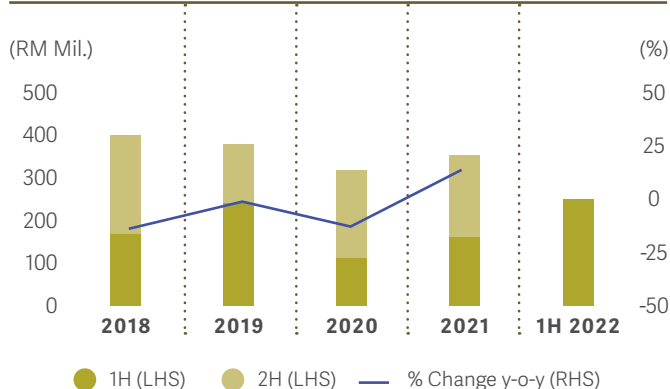
**Volume of Shop Office Property Transactions in Negeri Sembilan (2018-1H 2022)**

(Source: JPPH)



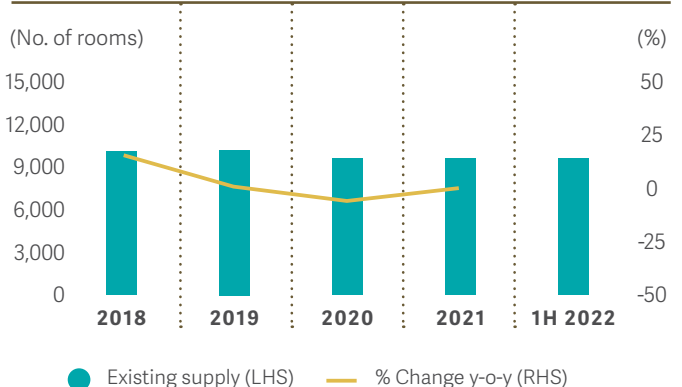
**Value of Shop Office Property Transactions in Negeri Sembilan (2018-1H 2022)**

(Source: JPPH)



**Existing Supply of Hotels in Negeri Sembilan (2018-1H 2022)**

(Source: JPPH)





## Industrial

Negeri Sembilan's industrial sector in 1H2022, experienced a remarkable 73.6% growth in its transaction volume and 62.7% in value, achieving 302 units worth RM445.17 million. Noting that the first halves of the years 2021 and 2022 had been growing significantly upwards after a decline in 2020 due to the pandemic effect, the transaction activities for the full year of 2021 declined marginally. Nevertheless, the value managed to hold up in 2021 at RM703.18 million, a growth of 36.4% from 2020. Since the total value in 1H2022 reached 63.3% of the 2021 amount, the second half is expected to maintain a steady growth momentum. Negeri Sembilan's industrial market is anticipated to grow positively with more industrial focus by major developers expected.

The industrial transactions in Negeri Sembilan were mostly vacant plots, semi-detached factories/warehouses and terraced factories/warehouse in that respective order. As the majority of transactions took place mostly in Seremban district, vacant plots experienced more active transactions in Rembau. Nevertheless, the vacant plots and semi-detached/warehouse properties in Seremban contributed to the high value of transaction in 1H2022.

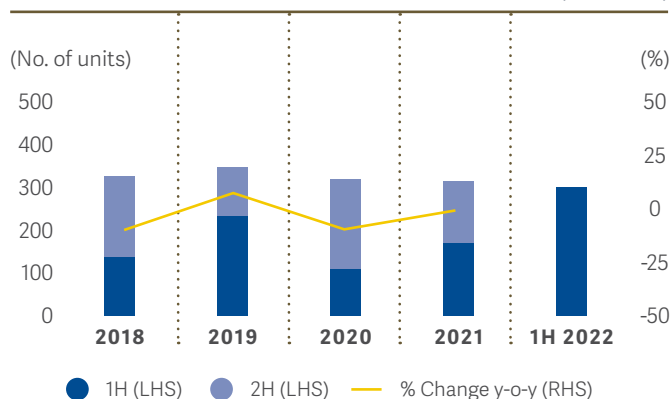
As far as the existing supply of industrial properties in Negeri Sembilan, as at 1H2022, it stood at 5,556 units from 5,528 units in 1H2021. Similar to the transaction trend, the highest supply was found in Seremban with a 80.8% share. Terraced factories were the most here at 3,057 units followed by the semi-detached, detached and industrial complex. A total of 163 new supply are to come onstream with more semi-detached units on board.

The overhang figures for the state were minimal at 55 units in 1H2022 down from 66 units in 2021. The overhang was more in Jempol district than Seremban with units mainly priced between RM500,001 and RM600,000. Eighty new launches entered the market in 1H2022 with 53 units within the same price bracket across the state.

One of Negeri Sembilan's mega projects is the Malaysia Vision Valley (MVV) 2.0, initiated by the state government as an economic growth corridor. Spanning 153,411 hectares of land covering the districts of Seremban and Port Dickson, it would be a major catalyst for the industrial segment in the state, especially within its NS

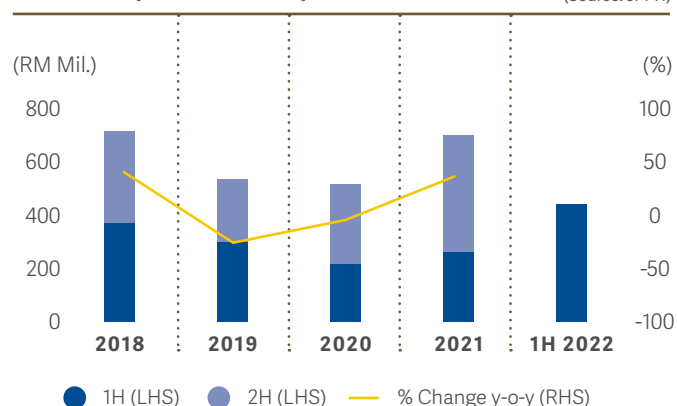
### Volume of Industrial Property Transactions in Negeri Sembilan (2018-1H 2022)

(Source: JPPH)



### Value of Industrial Property Transactions in Negeri Sembilan (2018-1H 2022)

(Source: JPPH)



Aerospace Valley (NSAV) and Unmanned Vehicle Valley (UVV) zones. As such, a few collaborations were formed between NS Corporation, the investment arm of Negeri Sembilan and several relevant parties in 2022, as an effort to develop these zones. These include the MoU with Havelsan, a Turkey-based software and hardware provider for the development of NSAV, and with Turkish Aerospace Industries (TAI) to set up a helicopter assembly plant in MVV 2.0.

On another note, Uniwall APS Holdings via NS Aero City Sdn Bhd – its special purpose vehicle with NS Corporation bought a 1,282-acre land in MVV 2.0 at RM445 million. Envisioned to be developed into NS International Techpark, the light and medium industrial zones here would have aerospace, food and beverages (F&B), pharmaceutical and cosmetics industries as its core.

Moreover, the industrial park development within MVV 2.0 was getting into shape with the progress of several projects there. One of them is the newly launched Springhill Industrial Park (SIP) in Bandar Springhill by West Synergy Sdn Bhd, a joint venture by MUI Properties Bhd and Chin Teck Plantation Bhd. Spanning across 137-acre land, the park offers 63 industrial lots from 44,508 to 97,000 sf, priced from RM1.38 million to RM3.1 million with a GDV of RM125 million.

Other projects in MVV 2.0 include the ongoing industrial project, Hamilton Nilai City by Sime Darby Properties launched towards the end of 2021 and to be completed by November 2023, and the New Labu development in Parcel A of the MVV 2.0 masterplan. The layout plan for the New Labu section is now in the planning stage and is targeted for launch in 2024.

## Notable Announcements

- In mid-2022, Hong Seng Consolidated Bhd expressed its interest to partner with Invest NS to explore the opportunities in developing a 284.75-acre land in Seremban into the Malaysia Green Valley (MGV). MGV is envisioned to become a green industrial park dedicated to R&D and manufacturing cost-effective and sustainable renewable energy and products in its related supply chain.
- Matrix Concepts Holdings Bhd had in August 2022, purchased 1,382.2 acres of land in MVV2.0 from NS Corporation for RM460 million. The land is to be developed into a township comprising residential, commercial and retail elements. It would also incorporate hospitality, education, healthcare and support services.
- OSK Property introduced a 22-acre Wetland Park @ Iringan Bayu as a new attraction in Seremban. Being developed at RM9.0 million, the park is expected to draw 35,000 visitors by end of 2022. The park which forms part of Iringan Bayu integrated development, a 770-acre township with a mix of residential and commercial components, is sited 15 kilometers from Seremban town and is open to the public for free.





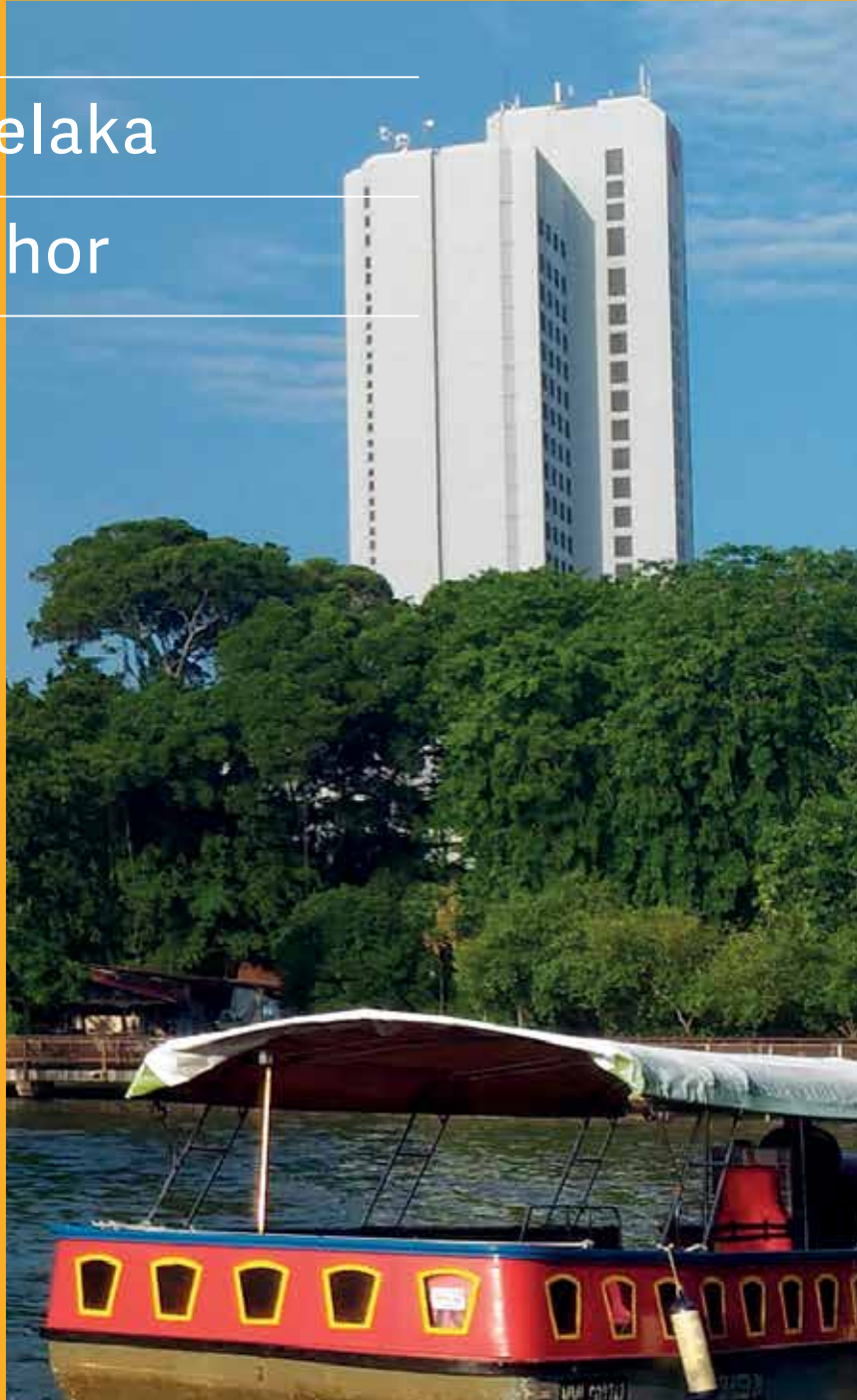
# SOUTHERN Region

*Sungai Melaka, Melaka*



Melaka

Johor

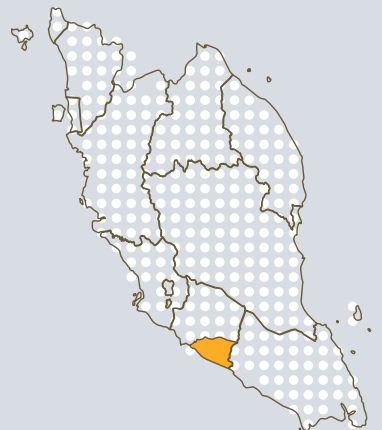




# Melaka



Melaka Floating Mosque



Capital: Kota Melaka

Est. Population: 1,007,700

Area (km<sup>2</sup>): 1,720

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	211,689 units	↑ 3.2% y-o-y
Transaction Volume	4,586 units	↑ 11.2% y-o-y
Transaction Value	RM1,440.44 mil.	↑ 26.6% y-o-y

### Retail

Supply	6.84 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	62.5%	↓ 0.8% y-o-y
Rental	Prime: RM4.50psf – RM23.30psf	

### Purpose-Built Office

Supply	4.49 mil. sf	↑ 1.4% y-o-y
Occupancy Rate	86.3%	↑ 3.3% y-o-y
Rental	Prime area: RM1.30psf – RM 3.40psf	

### Shop Office

Supply	21,383 units	↑ 0.7% y-o-y
Transaction Volume	341 units	↑ 66.3% y-o-y
Transaction Value	RM189.93 mil.	↑ 78.7 y-o-y

### Hotel

Existing Supply	17,771 rooms	↑ 4.3% y-o-y
Incoming Supply	716 rooms	

### Industrial

Supply	7,184 units	↑ 0.4% y-o-y
Transaction Volume	197 units	↑ 15.9% y-o-y
Transaction Value	RM287.91 mil.	↑ 84.3% y-o-y

(Source: Rahim & Co Research, JPPH)

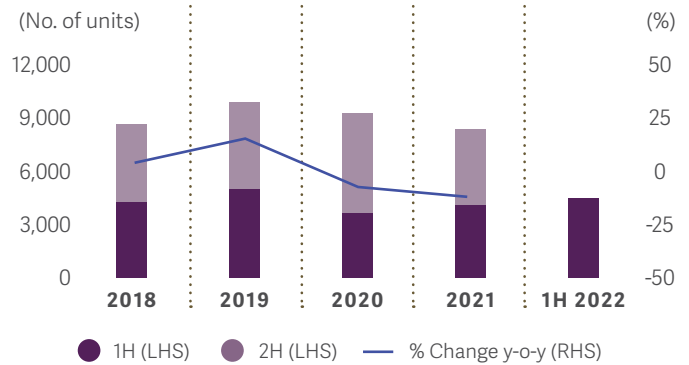
## Residential

Melaka's residential market, as at 1H2022, saw a notable growth of 11.2% in volume and 26.6% in value from 1H2021 to 4,586 transacted units worth RM 1.44 billion. There were 69 transactions of serviced apartments worth RM26.03 million in 1H2022 as compared to 55 transactions worth RM19.66 million in 1H2021. Despite not being able to reach the pre-pandemic levels, with the positive growth seen in both the first halves of 2021 and 2022, the market is expected to be stable.

As at 1H2022, the existing supply of residential properties in Melaka stood at 211,689 units (excluding serviced apartment and SOHO), a rise of only 3.2% from 1H2021. Made up mainly of landed housing, single-storey terraced houses dominated at 74,603 units, followed by 2 to 3-storey terraced houses at 40,648 units. In Melaka, low-cost houses had a significant stock share with a total of 33,987 units, edging over the semi-detached and detached stock of just under 33,000 units. Melaka Tengah district had a large portion of the residential supply in the state for almost all types of residential dwellings, be it landed or high-rise dwellings. The same district appeared to be the only preferred location for serviced apartment developments with 6,363 units as at 1H2022.

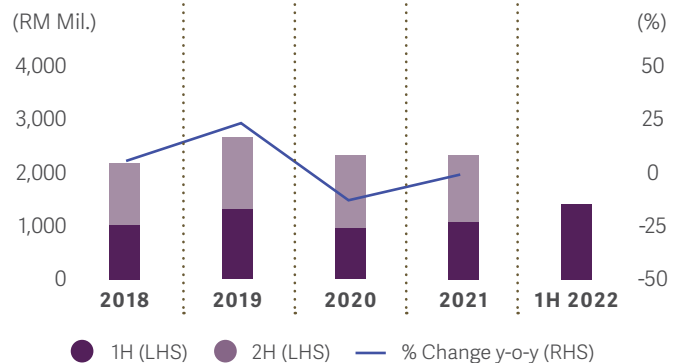
**Volume of Residential Property Transactions in Melaka (2018-1H 2022)**

(Source: JPPH)



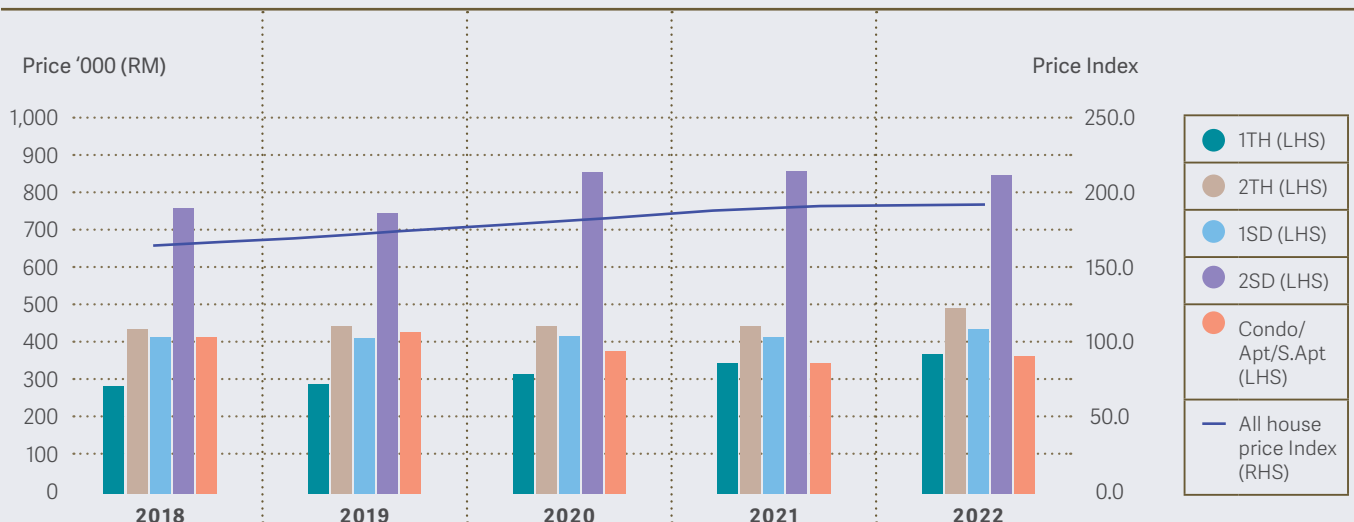
**Value of Residential Property Transactions in Melaka (2018-1H 2022)**

(Source: JPPH)



**Melaka Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



There were 21,817 units of incoming supply recorded as at 1H2022, of which 34.1% are condominiums, 22.3% are 2 to 3-storey terraced houses and 17.5% are single-storey terraced houses. Interestingly, 13.3% were townhouses in Alor Gajah district. A total of 5,565 serviced apartments and 352 SOHO units are also in the incoming supply stream for the state.

The residential overhang in Melaka, had in 1H2022 increased to 651 units from 607 units in 2021, mainly made up of 2 to 3-storey terraced houses in Melaka Tengah. The overhang units were mostly priced between RM200,001 and RM300,000.

### Selected Upcoming Landed Residential Properties in Melaka

(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	Jasin	2-sty Terraced	291	From RM250,000	2023
Tropika @ Vista Belimbing	Durian Tunggal	1-sty Semi-detached	28	From RM435,000	2023
Tropika @ Vista Belimbing	Durian Tunggal	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
Molek Residence	Ayer Molek	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

### Selected Upcoming High-Rise Residential Properties in Melaka

(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	2070	From RM275,000	2023
Sri Melaka Residensi (Block C, D & E)	Bukit Serindit	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
Satori Residences	Pulau Melaka	Serviced Apartment	192	From RM350,000	2026

## Retail

The retail segment of Melaka, in terms of its supply, had remained unchanged in 1H2022 at 6.84 million sf. The occupancy rate had been below 64% since 2020 and dropped to 62.5% in 1H2022. Melaka Town hosts the most retail complexes at 18 units capturing 61.2% of the total supply, followed by Melaka Tengah with 9 units and 24.3% share.

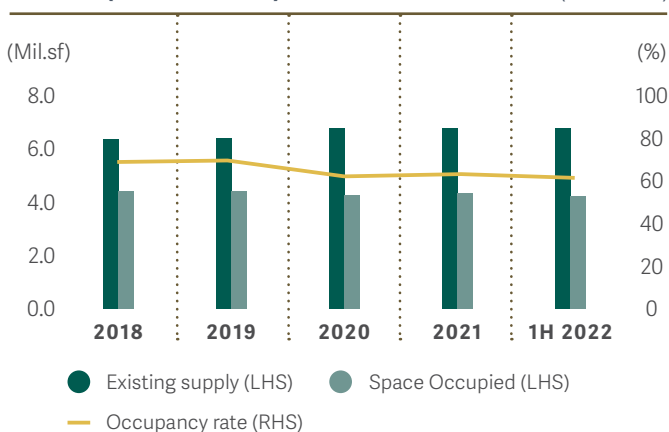
In terms of incoming supply, 1.38 million sf of retail space will enter the market where 85% of it would be in Melaka Town and the rest in Melaka Tengah.

Hatten Land, one of the earliest and most prominent developers of commercial developments in Melaka, revealed its plans to rebrand its existing Elements Mall in Melaka to Element X. The rebranding exercise comes with reconfiguration into the first large-scale integrated electronic sports (or e-sports) experiential hub and Metaverse gateway of Southeast Asia. Sited along the straits waterfront, the hub will incorporate a themed hotel, an e-sports arena and pro-e-sports facilities within the 1.88 million sf retail and entertainment complex.

As Jonker Walk has always been the favourite street-shopping destination for Melaka tourists, the state now has another one called Morten Walk Entrepreneurship Hub. Developed on 4.13 acres of land with a GDV of RM8.0 million, it is designed as a modern and trendy container cabin offering 100 commercial spaces.

### Existing Supply & Occupancy Rate of Retail Spaces in Melaka (2018-1H 2022)

(Source: JPPH)



“Sited along the straits waterfront, Element X will incorporate a themed hotel, an e-sports arena and pro-e-sports facilities within the 1.88 million sf retail and entertainment complex.”

Melaka Trade Square @ Metrasquare, a commercial hub in Ayer Keroh would see the opening of three new outlets by the end of 2022. The new outlets will include Regus, the first flexible workspace in Melaka, a wellness center by SHENGLIFE Sdn Bhd and Cahaya Suria Confinement Centre. Metrasquare is a commercial development by Sheng Tai International, the developer of “The Sail” in Melaka. The project incorporates serviced suites, the 5-star Ames Hotel, a 3-star premium hotel known as Hotel Metrasquare, some retail lots, meeting and conference facilities on top of the Melaka historical gallery and an art social space.

## Purpose-Built Office

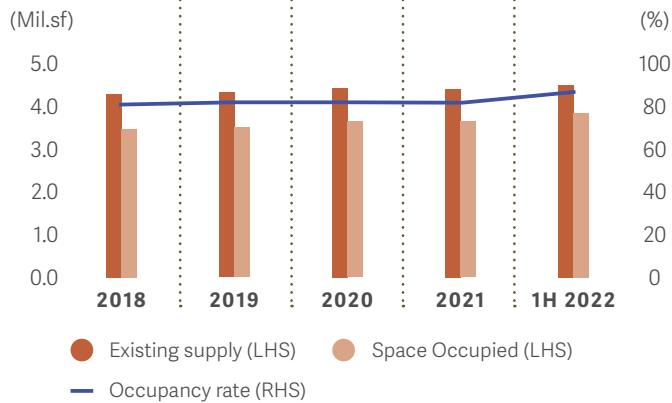
The existing stock of Melaka’s purpose-built office increased to 4.49 million sf in 1H2022 and that was a rise of 1.4% after no movement in stock in 2021. Even with the added supply, the occupancy went up to 86.0%. It stood at 83.0% in both 2020 and 2021.

The state has a total of 82 office buildings and of these, 48 buildings were privately owned with 2.59 million sf space. Although Melaka Town and Melaka Tengah each have 30 office buildings, Melaka Tengah has more office space at 2.78 million sf due to its higher proportion of government-owned buildings. As there was no incoming supply registered as at 1H2022, the occupancy rate is expected to gradually improve in the near term, notwithstanding the external economic conditions.



### Existing Supply & Occupancy Rate of Purpose-Built Office in Melaka (2018-1H 2022)

(Source: JPPH)



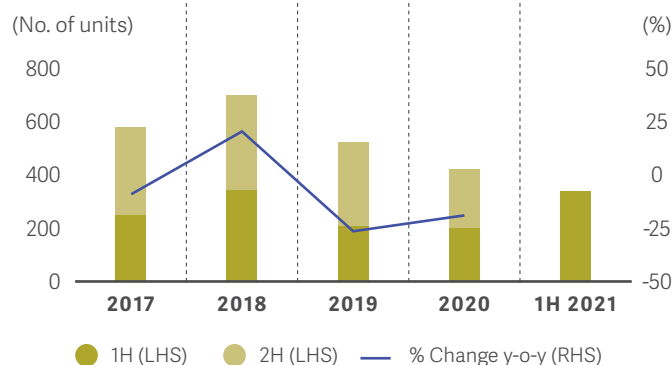
## Shop Office

The transaction activities in Melaka's shop-office sector performed better in 1H2022 compared to 1H2021. The volume grew by 66.3% whilst the value by 78.7% to 342 units worth RM189.93 million. However, these numbers were still below 1H2019 level at 344 units worth RM223.53 million.

On existing stock status, there were 23,211 shop offices in Melaka as at 1H2022, an insignificant increase of 0.1% from 2021. These units were highly concentrated in Melaka Tengah district. Approximately 44% was made up of 2 to 2½-storey units while stratified units only accounted for a 6.7% share. An additional 5,565 units are expected to enter the shop-office market of Melaka over the next 2-3 years.

### Volume of Shop Office Property Transactions in Melaka (2018-1H 2022)

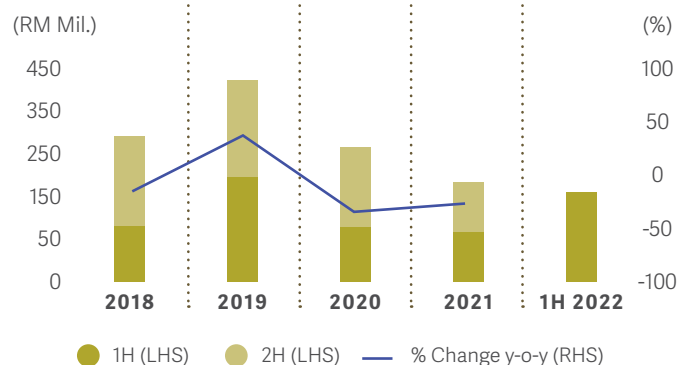
(Source: JPPH)



Overhang figures for the shop-office sector stood at 247 units as at 1H2022, up by 73 units from 2021. The highest overhang was from the 2 to 2½-storey shop-offices at 65.6% share and 90.7% of these were from Melaka Tengah. They were priced mainly above RM1.0 million and between RM500,001 and RM600,000. Out of 483 new shop offices launched in 1H2022, three-fifth were 2 to 2½-storey units.

### Value of Shop Office Property Transactions in Melaka (2018-1H 2022)

(Source: JPPH)





## Hotel

The hotel sector of Melaka saw an increase in hotel room supply in 1H2022 by 4.3% to 17,771 rooms exceeding total rooms in 2019 despite seeing a drop in 2020. A total of 4,527 rooms were of the 3-star rating whilst 4,304 rooms were rated 4-star. Five-star rated rooms counted up to 1,812 units. City or town hotels dominated the hotel supply at 81.6% share of rooms and most of the rest were at beachside hotels. As at 1H2022, Melaka has a total of 3 hotels with 716 rooms in its incoming supply basket, adding to its existing 175 hotel establishments.

Melaka touted as the historic city of Malaysia, is rich in both historical and tourist spots including UNESCO World Heritage Sites, museums and theme park resorts like A'Famosa Melaka. Sited along the Straits of Malacca, the green-blue sea viewed from any peak point in the city has never failed to mesmerise visitors. Famous for its Baba-Nyonya culture, the food selection here is part of the many attractions to tourists and travelers, both local and international. Just less than a two-hour drive from Klang Valley, it serves as a weekend getaway location for city folks to rest and relax with their family. All of these tourism attractions have kept the hotel industry of Melaka alive and the dominance of domestic tourism has helped sustain the sector during the pandemic period.

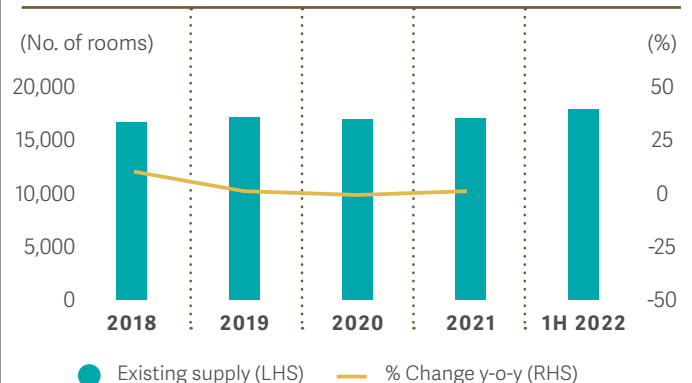
“As an effort to increase tourist arrivals, Melaka International Airport (MIA) in Batu Berendam has resumed its operations with Melaka-Penang-Melaka and Melaka-Pekanbaru (Indonesia)-Melaka flights in 2022 that would bring an estimated 30,000 tourists in 1H2023.”

To continue the revival of this sector, tourist arrivals have to bounce back in numbers. The state targeted 5.6 million tourist arrival for the full year of 2022 despite 18.7 million in 2019 made up of 69.6% domestic tourists. To strengthen the domestic tourism of Melaka, Visit Melaka 4.0 was launched with more locations covered, coupled with more enticing tourism packages and promotions.

As an effort to increase tourist arrivals, Melaka International Airport (MIA) in Batu Berendam has resumed its operations with Melaka-Penang-Melaka and Melaka-Pekanbaru (Indonesia)-Melaka flights in 2022 that would bring an estimated 30,000 tourists in 1H2023. The hotel sector is expected to tag along with the recovery in the tourism sector of Melaka.

### Existing Supply of Hotels in Melaka (2018-1H 2022)

(Source: JPPH)





## Industrial

The industrial sector of Melaka, despite recording an increase in number of transactions in the first halves of 2021 and 2022, had slowed down in volume growth with a lower increase rate of 15.9%. It, however, grew by 84.3% in value to RM287.91 million for 197 units. The total transaction value has been catching up well contributed by more transactions of vacant plots and detached factories that usually command high prices per unit in comparison to other types.

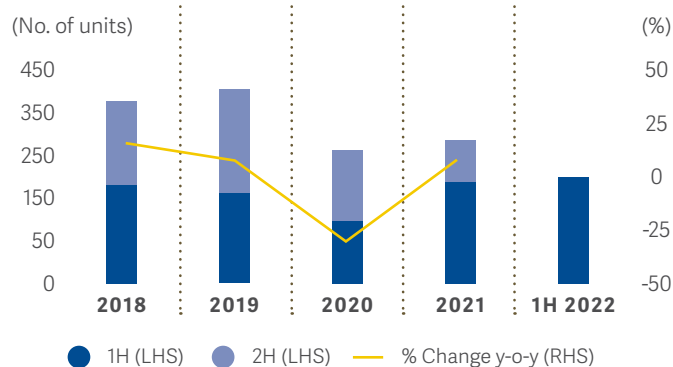
The existing supply of industrial properties in Melaka as at 1H2022 grew by 0.4% to 7,184 units. The majority of this stock was concentrated in Melaka Tengah with 5,602 units. Detached factories made up 39.9% of the total stock of Melaka whilst Alor Gajah and Jasin districts had equal shares at 30%. A total of 803 units were accounted for in the incoming supply basket where terraced factories captured a bigger share at 47% followed by detached factories with a 29% share.

In terms of overhang, Melaka has only 17 units as at 1H2022 down by only 2 units from 2021. Ten units from this overhang were in the price bracket of RM900,001 to RM1,000,000 and the balance was in the RM600,001 to RM700,000 range.

A new industrial area measuring approximately 2,023 acres will be developed in stages in Masjid Tanah by Melaka Corporation which will lead to the opening of a new town there.

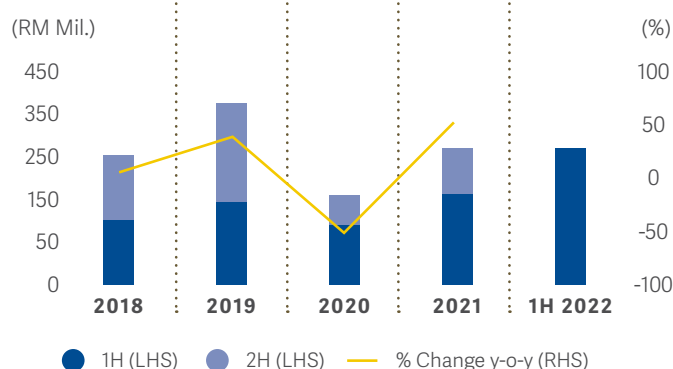
### Volume of Industrial Property Transactions in Melaka (2018-1H 2022)

(Source: JPPH)



### Value of Industrial Property Transactions in Melaka (2018-1H 2022)

(Source: JPPH)





## Notable Announcements

- Melaka government had in mid-July 2022, launched the Melaka Green Transport Masterplan as a tool to encourage more usage of the public transportation system. The master plan would implement the Green Bus Network as well as the Heritage Area Integrated Mobility Plan.
- In September 2022, it was announced that an undersea railway tunnel, or a bridge connecting Melaka and Sumatra, via Telok Gong in Masjid Tanah and Dumai in Sumatra is under planning by the Melaka State government. Stretched across 120 kilometers it will take approximately 20 years to complete. Upon completion, it is expected to have a major impact on the economic development of both Malaysia and Indonesia.
- DPS Resources Bhd had in April 2022 revealed its joint development of a mixed-development with Biotrend Asia (M) Sdn Bhd (BASB) in Melaka. To be developed on 52.19-acre land, the project has a total GDV of RM200 million.
- KAJ Development Sdn Bhd (KAJD), the original developer of Melaka Gateway has been entrusted back by the state government to continue developing the mega project. Launched in 2014,

Melaka Gateway covers 552.8-hectare land with a GDV of an estimated RM43.0 billion. The project entails the reclamation of three islands with a deep-water port and a cruise terminal known as Melaka International Cruise Terminal (MICT) plus some commercial and residential components.

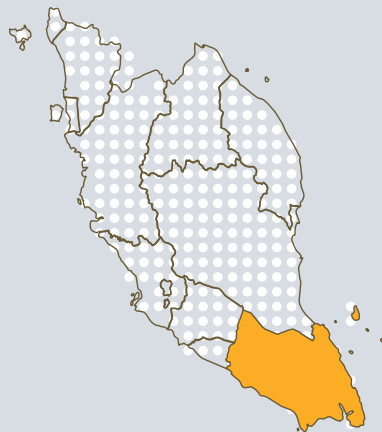
- KAJD inked an MoU with Dubai Integrated Economic Zones Authority to collaborate on the investment and operation of the proposed free trade zone at PME 1 (Pulau Melaka East 1). KAJD also exchanged MoAs with MG Velocity Sdn Bhd, X Infinity Property Sdn Bhd and Total Group Bhd to construct MICT, also at PME1. MICT is slated for completion by 2025. Another MoA was signed with Assetwall Sdn Bhd to develop a RM1.5 billion world-class theme park which will be ready by 2026.
- Abu Dhabi-based Lulu Group International had in early 2022 unveiled its plan to invest RM420 million into Melaka via the opening of its chain of supermarkets and export centers and a logistics center to export agricultural products here within the next three years.



# Johor Darul Takzim



Rawa Island



Capital: Johor Bahru

Est. Population: 4,022,700

Area (km<sup>2</sup>): 19,166

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	882,340 units	↑ 1.8% y-o-y
Transaction Volume	12,836 units	↑ 20.2% y-o-y
Transaction Value	RM4,901.90 mil.	↑ 25.7% y-o-y

### Retail

Supply	26.27 mil. sf	↓ 1.2% y-o-y
Occupancy Rate	72.2%	↓ 1.2% y-o-y
Rental	Prime: RM9.00psf – RM31.80psf	

### Purpose-Built Office

Supply	14.66 mil. sf	↓ 0.8% y-o-y
Occupancy Rate	71.7%	↓ 1.0% y-o-y
Rental	Prime area: RM2.00psf – RM6.20psf	

### Shop Office

Supply	86,401 units	↑ 1.1% y-o-y
Transaction Volume	1,404 units	↑ 56.2% y-o-y
Transaction Value	RM1,094.50 mil.	↑ 28.6% y-o-y

### Hotel

Existing Supply	31,791 rooms	↑ 2.3% y-o-y
Incoming Supply	2,097 rooms	

### Industrial

Supply	18,566 units	↑ 2.1% y-o-y
Transaction Volume	529 units	↑ 57.0% y-o-y
Transaction Value	RM2,025.88 mil.	↑ 135.8% y-o-y

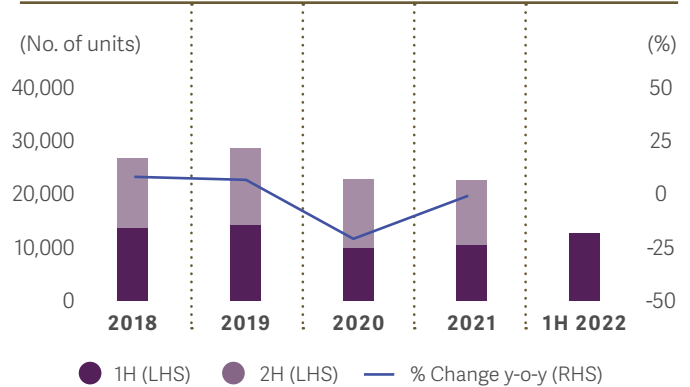
(Source: Rahim & Co Research, JPPH)

## Residential

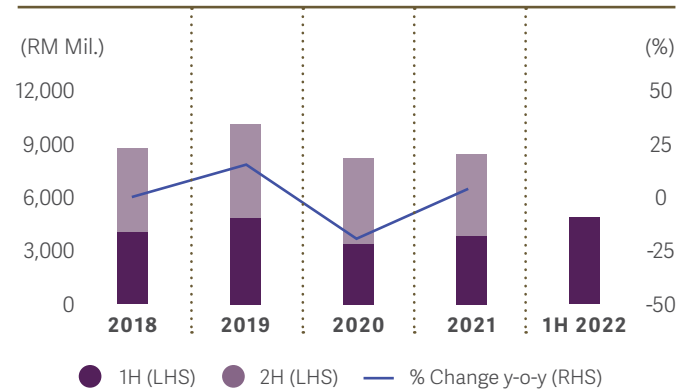
The residential sector of Johor, showed positive growth in its transaction volume and value by 20.2% and 25.7% to 12,836 units worth RM4,901.90 million in 1H2022. Adding the serviced apartment and SOHO transactions, the increase was 20.6% and 25.7% respectively, with an additional 313 units worth RM145.61 million in 1H2022. The figures however were yet to exceed the 1H2019 level. The full year of 2021 still showed a negative growth in transaction activities but saw a slight 3.9% rise in value. The full year of 2022 can be expected to show positive growth in the investment market but possibly not to the pre-pandemic level.

In terms of the residential existing supply for Johor, it increased by 1.8% from 1H2021 to 882,340 units, excluding 86,025 serviced apartments and 2,843 SOHO units. No movement in stock were observed for SOHO units but serviced apartment increased by 0.7% in 1H2022. As landed properties dominated the housing market in the state, 2 to 3-storey terraced houses accounted for 33.6% of the total landed houses whilst single-storey houses had a 27.4% share. Slightly more than half of the residential stock in Johor were concentrated in Johor Bahru district, including both landed and high-rise properties. Serviced apartments and SOHO units were also largely present in Johor Bahru with 84,238 units and 2,843 units respectively. Condominiums/apartments have almost equal distribution and detached houses at 7.5% share of the total residential stock in Johor.

**Volume of Residential Property Transactions in Johor (2018-1H 2022)**  
(Source: JPPH)

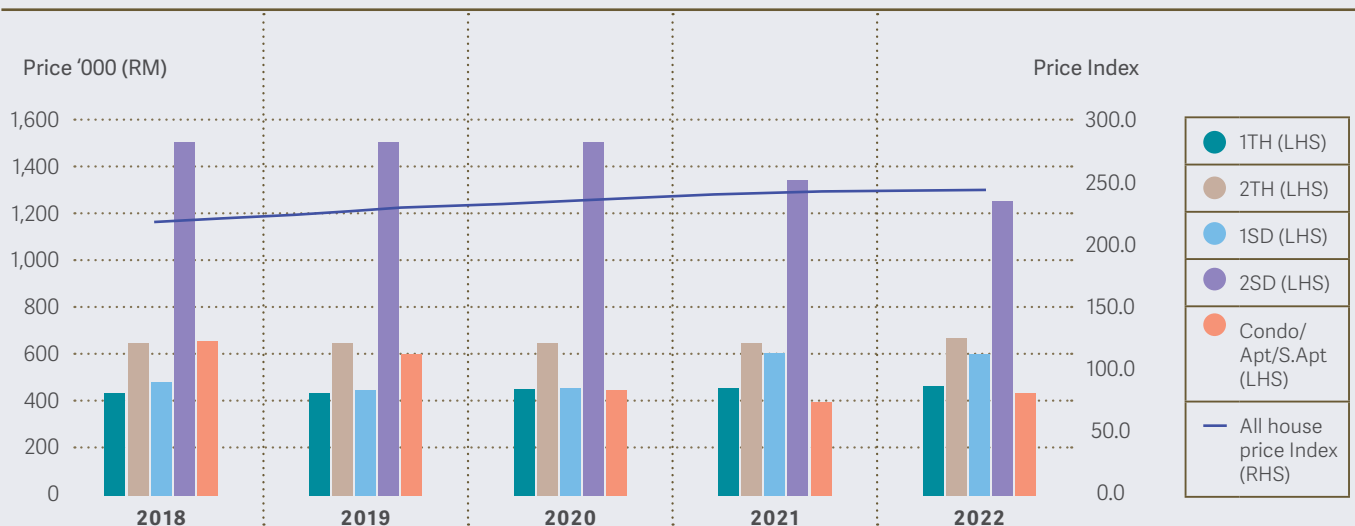


**Value of Residential Property Transactions in Johor (2018-1H 2022)**  
(Source: JPPH)



**Johor Bahru Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



### Selected Upcoming Landed Residential Properties in Johor

(Source: Rahim &amp; 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)	Pasir Gudang	2-sty Terraced	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)	Johor Bahru	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 RM1,209,000	2024
Chamborough (RT2B) @ Eco Botanic	Iskandar Puteri	2-sty Terraced	103	From RM990,000	2024

### Selected Upcoming High-Rise Residential Properties in Johor

(Source: Rahim &amp; 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

As at 1H2022, the incoming residential supply for Johor amounts to 47,639 units with a large amount of 2 to 3-storey terraced houses at 21,597 units, 7,178 units of single-storey terrace houses and 5,889 units of condominiums/apartments. In addition, there are 18,386 serviced apartments and 966 SOHO units, all of them in Johor Bahru.

The overhang residential stock of Johor stood at 6,040 units in 1H2022, down 0.8% from 1H2021. The highest contributors were condominiums/apartments and 2 to 3-storey terraced houses at 41.5% and 28.8% share. The unsold condominiums/apartments were mainly priced between RM500,001 and RM600,000 whilst the 2 to 3-storey terraced houses were more of those priced between RM600,001 and RM700,000. In addition, there were 15,816 overhang units of serviced apartments and SOHO units in the state with the former accounting for 97.5%. These serviced apartments were mainly priced at RM1 million & above and between RM800,001 to RM900,000. Notwithstanding these two price brackets, a substantial number of the overhang at 7,127 units were in the RM500,001 to RM800,000 price range.

A total of 2,509 more residential units were launched in 1H2022 comprising 2,026 units of 2 to 3-storey terraced houses within the price range of RM400,001 to RM500,000 and RM900,001 and above. A total of 217 units were in the price range of RM600,001 to RM700,000.

An existing mixed housing estate located in Kulai managed to reportedly close a total sale of RM400 million since April 2022. These include single and double-storey terraced, single-storey semi-detached houses and some industrial properties.

Tebing@Bandar Tiram, a 28-acre site within Bandar Tiram of JLand will kick off in early 2023. Another scheme by JLand, Bandar Dato' Onn is all ready to go through a revamp in its master planning to fit its position as a wellness destination. It will also be seeing a new development for Green Landed Residences in 2024.

The re-opening of borders have boded well for Johor's residential market due to the return of Singaporean and other foreign buyers. Singaporeans who are eyeing Johor properties due to its competitive pricing are expected to gradually return to fuel demand for Iskandar Puteri and the town areas of Johor Bahru. Malaysians working in Singapore are renting in Johor due to lower rental rates than in Singapore hence providing a good demand for a rental market for the state, particularly in the high-rise

apartment segment. The locals too are not missing out on this opportunity. However, the mismatch between the sheer supply and demand in the state that caused the overhang dilemma is still a concern, amid high prices and lagging income level.

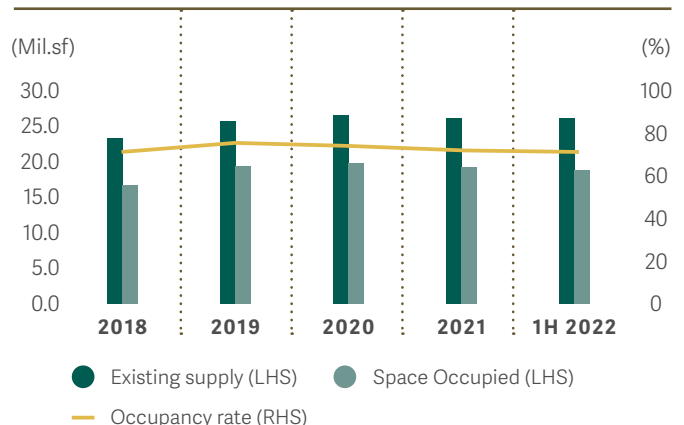
## Retail

The cumulative supply of retail space in Johor reduced by 21,140 sf in 1H2022, recording a total of 26.26 million sf. The occupancy rate declined to 72.2% in 1H2022 from 73.0% in 1H2021. Johor Bahru city, the commercial capital of the state, had 80 retail complexes with a total retail space of 20.4 million sf making up 77.7% of the total supply. A total of 42 were shopping centers whilst 28 were hypermarkets. In addition, there were 10 arcades with 797,164 sf total space. Two more retail complexes with a total of 468,004 sf net lettable space are in the pipeline for Johor.

Additionally, Johor is expecting the upcoming The Gem Shopping Mall @ Coronation Square, a mixed-development comprising two blocks of serviced apartments, two office blocks, a hotel and medical suites. The retail mall with 1.2 million sf of retail space is targeted for completion in 2024. SKS City Mall in Larkin and Persada Annexe in Johor Bahru are two additional malls that are soon to enter the retail market. As the occupancy for retail space in Johor declined in the past recent years, fears of pressure to fill up space is still a concern. Matching of supply to effective demand with strategies such as pre-leasing arrangements would be key to maintaining its occupancy rates.

### Existing Supply & Occupancy Rate of Retail Spaces in Johor (2018-1H 2022)

(Source: JPPH)





## Purpose-Built Office

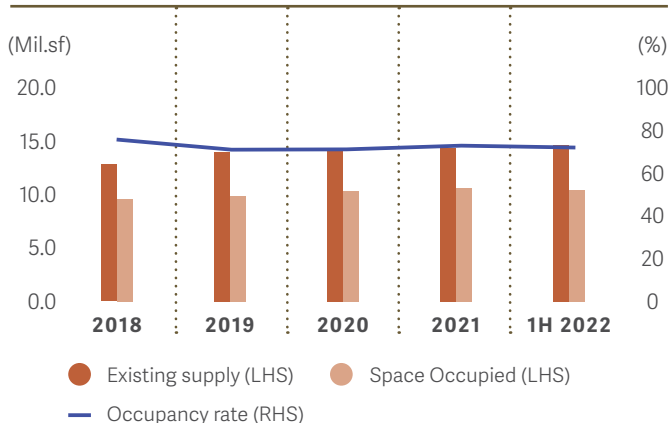
The supply of purpose built office space in Johor reduced to 131,879 sf in 1H2022, with a total of 14.6 million sf – down from 14.8 million sf in 2021. Total space occupied reduced as well making the occupancy rate dip to 71.7% in 1H2022 from 72.5% in 2021. The reduction in occupancy rate could be due to the high proportion of private PBO at 67.3% share. Johor Bahru accounted for the highest number of PBOs at 99 buildings with 11.66 million sf of space. About 71.7% of office spaces here belong to private sector owners.

Approximately 2.47 million sf of incoming supply was recorded as at 1H2022 spread across 6 privately owned buildings in Johor Bahru. Since the existing PBO market was seeing an occupancy level hovering at slightly above 70%, the injection of more office space may bring the overall occupancy down should economic conditions adversely affect new investments or expansions. Good marketing that offers attractive rental packages plus well-designed buildings with green building features will be the way forward as seen deployed by some building owners in the southern city capital.

Menara JLand in Johor Bahru City Centre (JBCC) with a net lettable area of 259,994 sf, claims to be the first of its kind in Johor with its Grade A specification GBI certification. Completed in 2018, the building achieved 46% of occupancy in August 2022. It is targeting to reach 70.0% occupancy by end of 2022 with the opening of the Johor-Singapore borders. The building was recently accredited with MSC status which should help in attracting more tenants.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Johor (2018-1H 2022)

(Source: JPPH)



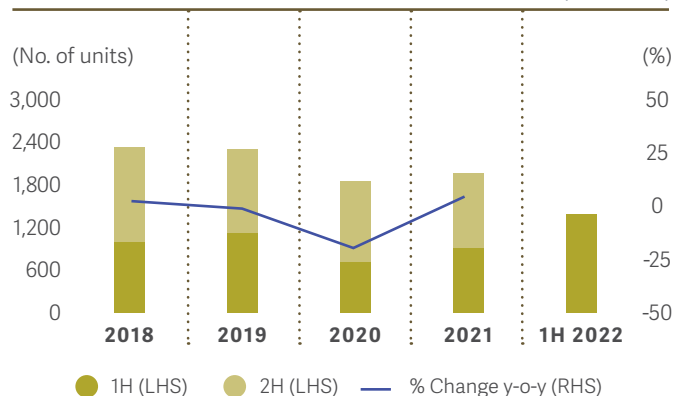
## Shop Office

The Johor shop office sector has reached pre-pandemic levels by recording 1,404 transactions worth RM1,094.50 million in 1H2022 as compared to 1,131 units valued at RM929.18 million in 1H2019. The transaction volume grew by 56.2% and 28.6% in value from 1H2021.

Johor's shop-office stock as at 1H2022 was 92,779 units, up by 1.2% from 91,664 units in 1H2021. The largest stock was found to be in the 2 to 2½ -storey shop-offices with a 49.9% share. After Johor Bahru that had 44.0% share of distribution, Batu Pahat district was next with about 12.7% share. Johor Bahru has 4,165 units in the incoming supply basket from the total of 7,117 in the pipeline for the whole state.

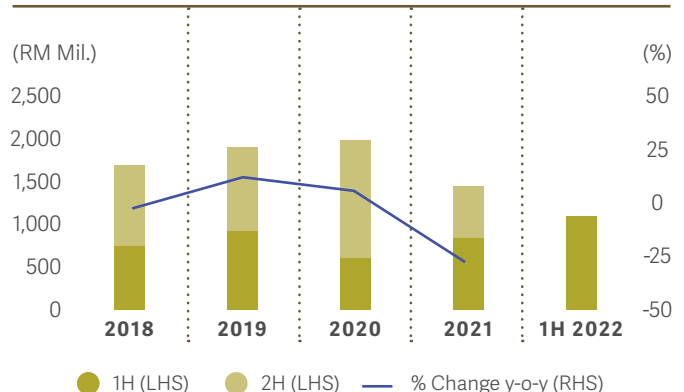
### Volume of Shop Office Property Transactions in Johor (2018-1H 2022)

(Source: JPPH)



### Value of Shop Office Property Transactions in Johor (2018-1H 2022)

(Source: JPPH)



## Selected Upcoming Shop-offices in Johor

(Source: Rahim &amp; Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Aspira Square	Gerbang Nusajaya	2&3-sty Shop Office	59	From RM878,000	2022
Impian Link 38@Taman Skudai Impian	Skudai	2-sty Shop Office	38	From RM850,000	2022
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 million	2024
Emerald Crest Austin (Phase 2)	Mount Austin	3-sty Shop Office	59	From RM1.6 million	2025
Molek Hub	Taman Molek	3&4-sty Shop Office	45	From RM1.6 million	2025

As at 1H2022, the unsold stock of shop-office increased to 1,672 units from 1,578 units in 2021. The majority of these overhang units were 2 to 2½-storey shop-offices with 727 units followed by 421 units of stratified shops. These overhang units were mainly in Johor Bahru, Kluang and Kota Tinggi districts. Looking at these numbers, plans for shop-office projects in Johor should take into account its high overhang status. These overhang units were mainly priced at RM1 million and above.

## Hotel

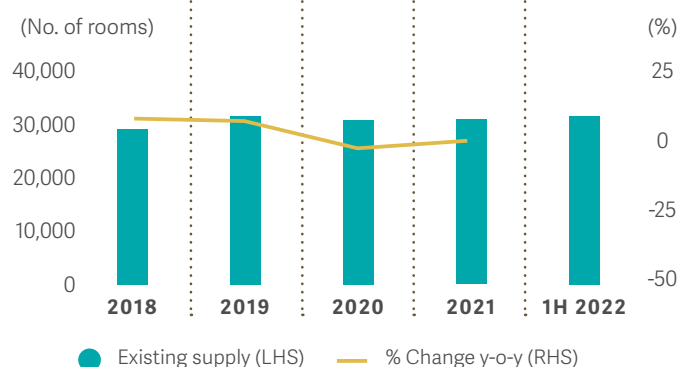
Johor's hotel sector had grown slightly in its hotel room supply to 31,791 rooms in 1H2022. After witnessing a few closures of hotels in 2020 and no additional in stock in 2021, 1H2022 saw some movement in its hotel segment. Johor has one of the highest number of hotels in the country at 486 units. The state had 31,791 hotel rooms as at 1H2022 and 21.6% of them were 3-star rated, followed by 20.7% of 4-star rated hotels. There were only six 5-star hotels here with 1,743 rooms. About 81.1% of the rooms were in the city or town and only 13.2% along the beachside. As at 1H2022, Johor was expecting to receive 8 more hotels with 2,097 rooms in the coming years.

Singapore being the largest tourist source into Malaysia via Johor worked well for the state, especially with the opening of borders in April 2022. The growing vaccination rate and the pent-up demand from local tourists during the lockdown periods have augured well for the tourism industry in Johor, which directly benefits the hotel business.

Beach resorts like Sand and Sandals Desaru Beach Resort & Spa and Lotus Desaru Beach Resort & Spa have been receiving almost full reservations specifically during weekends and school holidays in 2022. The Johor state election in March 2022 has also increased the hotel occupancies here up to 60%.

## Existing Supply of Hotels in Johor (2018-1H 2022)

(Source: JPPH)



## Industrial

Johor's industrial sector in 1H2022 showed positive growth of 57.0% in transactional activities with 529 units changing hands. Furthermore, the total value of transactions in 1H2022 took everyone by surprise with a remarkable 135.8% leap to RM2,025.88 million from just RM859.18 million in 1H2021.

Vacant industrial plots were the highest transacted properties by type followed by semi-detached factories. Sixty land transactions took place in Kulai district and 37 in Johor Bahru. Detached factories and warehouses contributed to the huge sales value in 1H2022 by recording RM1,216.31 million worth of transactions and almost all were in Johor Bahru district.

The total supply of industrial properties in Johor stood at 18,566 units in 1H2022, an increase of 2.1% y-o-y. The state is expecting another 1,070 industrial properties incoming soon. Of these, 702 units are in Johor and 210 in Kulai districts. This time around, Johor is expecting more semi-detached factories than terraced factories, unlike the existing supply trend.

As at 1H2022, Johor had 366 overhang industrial units, a little more than 352 units in 2021. A significant portion of the overhang units were terraced units at 117 units, which attributed to the lower incoming supply in this category. In addition, cluster industrial units with 135 overhang units suggested lower demand for this type generally.

Johor recorded the highest approved investments in the country in 1H2022 at RM60.9 billion, an 8-fold increase from 1H2021. The manufacturing sector continued to attract foreign investments at RM6.7 billion. With China, Singapore and South Korea being the top contributors to the above-said figure via their manufacturing projects in food processing, chemicals and petrochemical products, Johor is now eyeing to pull in investments from the UK and the US, especially from their data center and medical devices manufacturing businesses.

The outstanding performance shown by some industrial parks in Johor highlights the industrial sector in the state. One of them would be the newly launched Tropicana Industrial Park on a 1,188-acre site in Iskandar Malaysia by Tropicana Corp Bhd. Unveiled in end-2021, Phase 1 of the industrial project achieved 100% take-up in less than a year. A recent land transaction here was recorded for a total consideration of around RM200 million.

**“Johor recorded the highest approved investment in the country in 1H2022 at RM60.9 billion, an 8-fold increase from 1H2021. The manufacturing sector continued to attract foreign investments at RM6.7 billion, with China, Singapore and South Korea being the top contributors.”**

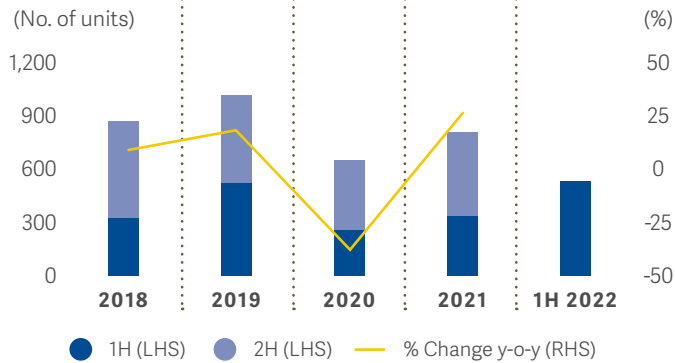
Johor has been widely known for its Managed Industrial Parks (MIPs) like i-Park @ Senai, i-Park @ Indahpura and i-Park @ SiLC by AME Elite Consortium Berhad. The same company had in October 2022, launched a 170-acre industrial park at Southern Industrial and Logistics Cluster (SiLC). i-TechValley, it is being called, has a targeted GDV of RM1.5 billion. Similar to its other i-Parks, providing workers accommodation has been AME's priority. In i-TechValley an allocation of 2.98 acres was given for 2,600 beds of workers' dormitories.

The logistics sector became more popular, especially with the emergence of e-commerce and increased demand for last-mile delivery services. To capitalise on this growing trend, Johor Corporation (JCorp) has inked a partnership with Tiong Nam Logistics Holdings Bhd to develop a 121.41-hectare technology-enabled logistics park in Sedenak Technology Valley part of a 7,290-acre industrial and technology hub in Johor. On a different note, Tiong Nam has one large warehouse with 1.1 million sf under construction in Senai. Upon completion in 2023, it will be leased out to Mercedes Benz Parts Logistics Asia Pacific Sdn Bhd for its new regional After-Sales Logistics Centre.

The property outlook in Johor especially in the Iskandar region like Port Tanjung Pelepas (PTP), Senai, Kulai and Pasir Gudang is encouraging with a high demand for warehouse and factory from local as well as Singaporean companies.

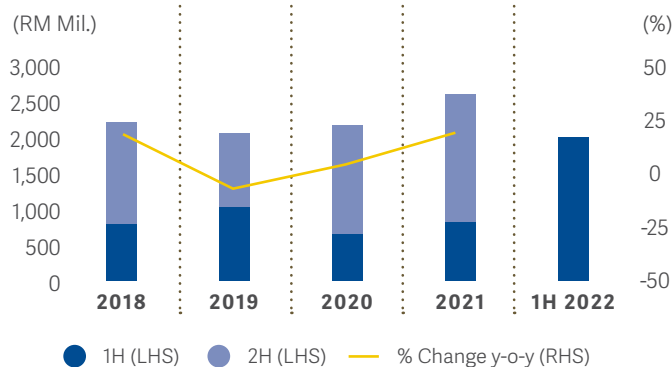
### Volume of Industrial Property Transactions in Johor (2018-1H 2022)

(Source: JPPH)



### Value of Industrial Property Transactions in Johor (2018-1H 2022)

(Source: JPPH)



## Notable Announcements

- As at March 2022, the Johor Bahru-Singapore Rapid Transit System (RTS) project reached 10% of completion stage. Originally scheduled for completion in 2024, due to minor setbacks in between, it would be completed for operation in 2027. Upon completion, the railway link will connect Bukit Chagar in Johor Bahru to Woodlands in Singapore and help ease the congestion on the Causeway.
- In early 2022, Iskandar Capital Sdn Bhd announced a mixed-income housing (MIH) project in Wawari, a 3,000-acre sustainable development in Iskandar Puteri, Johor. The project would commence in 2023 and is scheduled to be ready by 2026.
- Johor Corp, via its subsidiary JLand, announced its plans to kick off Sedenak Technology Valley with the "Discovery Project" in 2023. The pilot phase project would be on a 325-acre land and serve as an attraction park for a mega-development.
- Tiong Nam Group had in August 2022, announced its 1975 AVENUE & HOTEL, the first aviation-themed lifestyle hub in Kempas, Johor. To be developed on 19,000 sqm of land, it would feature a 38-room hotel which is two Boeing 747s redesigned into an aviation-themed accommodation and retail space. The project is slated for completion by the end-2023.
- As at November 2022, the Gemas-Johor Bahru Electrified Double Tracking Project achieved an 85% completion stage and is expected to be fully completed by mid-2023. Covering a 192km track and served by 11 stations, the railway link would reduce the traveling time between Kuala Lumpur and Johor Bahru to 3½ hours.
- Central Park - the commercial hub of Arena Larkin, a 235-acre next-generation urban hub in the Larkin, would be ready in 2024, according to its developer Jland, whilst its Iconic Towers consisting of serviced apartments and SOHOs to be ready by 2025.



A photograph of the Tengku Tengah Zaharah Mosque in Terengganu, Malaysia. The mosque is a large, white, modern building with a prominent central dome and a tall, slender minaret. It is situated on a platform overlooking a body of water, which reflects the building and the sky. The sky is blue with scattered white clouds. The text "EAST COAST" is written in large, white, sans-serif capital letters across the middle of the image, and "Region" is written in a smaller, white, serif font below it.

# EAST COAST

## Region

*Tengku Tengah Zaharah Mosque, Terengganu*

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Kelantan

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Terengganu

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Pahang

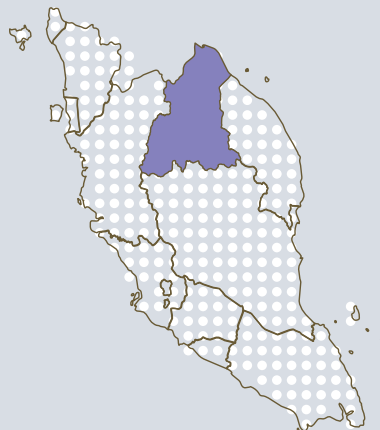
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# Kelantan Darul Naim



Istana Jahar, Kota Bharu



Capital: Kota Bharu

Est. Population: 1,829,300

Area (km<sup>2</sup>): 15,040

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	88,209 units	↑ 2.3% y-o-y
Transaction Volume	3,611 units	↑ 38.1% y-o-y
Transaction Value	RM588.22 mil.	↑ 37.2% y-o-y

### Retail

Supply	4.34 mil. sf	↑ 5.8% y-o-y
Occupancy Rate	80.6%	↑ 0.6% y-o-y
Rental	Prime: RM6.40psf – RM 18.30psf	

### Purpose-Built Office

Supply	4.21 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	93.7%	↔ 0.0% y-o-y
Rental	Prime area: RM1.50psf – RM2.60psf	

### Shop Office

Supply	13,614 units	↑ 2.0% y-o-y
Transaction Volume	81 units	↓ 13.8% y-o-y
Transaction Value	RM48.41 mil.	↓ 32.2% y-o-y

### Hotel

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

### Industrial

Supply	618 units	↑ 0.8% y-o-y
Transaction Volume	18 units	↑ 157.1% y-o-y
Transaction Value	RM33.36 mil.	↑ 311.3% y-o-y

(Source: Rahim & Co Research, JPPH)

## Residential

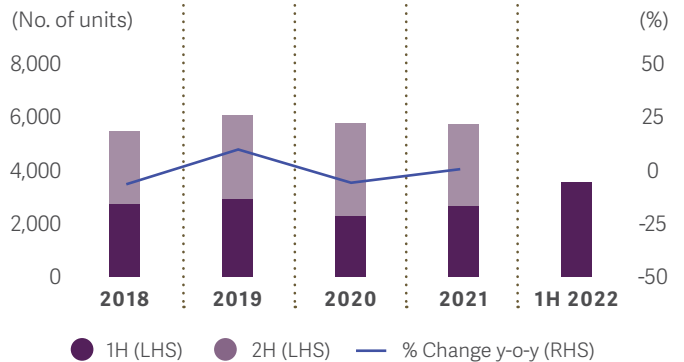
The Kelantan residential market continued its positive growth in transaction activities since a year ago after seeing a drop in 2020 due to the pandemic. As at 1H2022, it registered 38.1% and 37.2% growth in volume and value of transactions respectively, translating to 3,611 transacted units worth RM588.22 million. The transaction activities have grown beyond the pre-pandemic level of 1H2019. Vacant plots and terraced houses were the most transacted whilst condominiums/apartments remained the least popular choice among home purchasers with less than 1% transaction share.

On the other hand, the Kelantan All House Price Index (AHPI) in 2Q2022 decreased by 0.5% q-o-q to RM239,754 from RM240,887 in 1Q2022. The AHPI, however, rose by 4.8% over the same period in the previous year - indicating that house prices have generally grown albeit at a slower pace.

On the supply front, the existing residential stock stood at 88,209 units with another 858 units of serviced apartment/SOHO units making a total of 89,067 combined dwelling units. District of Kota Bharu contributes 40.7% or 36,232 units of the state's total residential and serviced apartments/SOHO supply. There is an additional 11,048 units currently under construction and 3,669 units in the

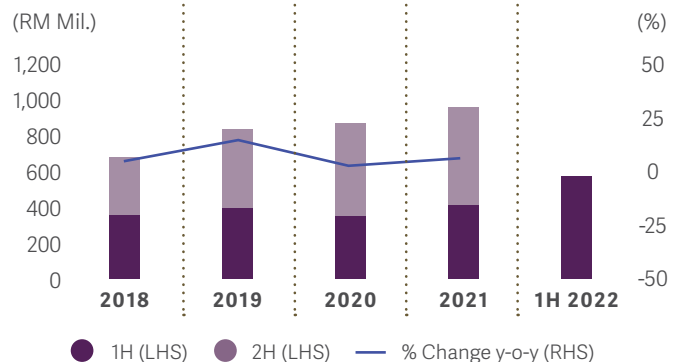
**Volume of Residential Property Transactions in Kelantan (2018-1H 2022)**

(Source: JPPH)



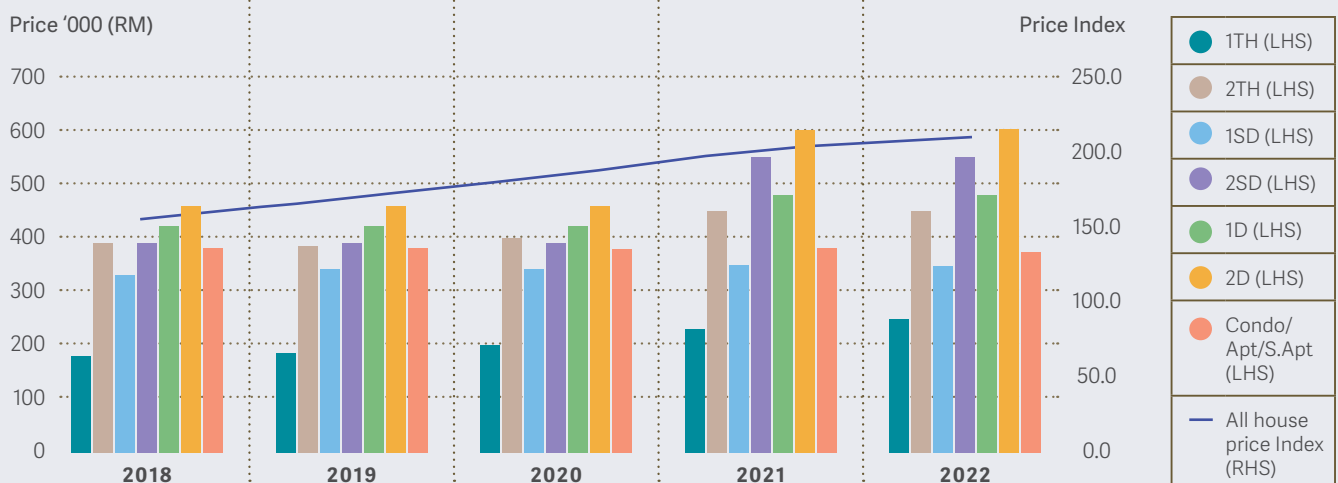
**Value of Residential Property Transactions in Kelantan (2018-1H 2022)**

(Source: JPPH)



**Kota Bharu Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)





## Selected Upcoming Residential Properties in Kelantan

(Source: Rahim & Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Taman Baiduri	Machang	1-sty Terraced	63	From RM 240,000	2023
Taman Sri Ayu	Kota Bharu	2-sty Terraced	9	From RM 390,000	2023
Taman Kemunin Huwainaa	Pengkalan Chepa	2-sty Terraced	13	From RM 401,000	2023
Taman Kota Jembal	Kota Bharu	1-sty Detached	34	From RM 258,000	2023
Teluk Panji	Kota Bharu	1-sty Detached	6	From RM 510,000	2023
PPAM Sireh Residence	Kota Bharu	Apartment	1,500	From RM 274,600	2023
19 Residensi	Kota Bharu	Serviced Apartment	182	From RM 293,000	2023
Taman Anggerik Putih (Fasa 2)	Machang	1-sty Terraced	522	From RM 239,000	2024
Arika Residence	Kubang Kerian	Apartment	668	From RM 240,000	2024
Bandar Baru Setia Hartamas	Pasir Pekan	1-sty & 2-sty Terraced	2,000	From RM 259,000	2026
D'Laman Residence	Kubang Kerian	Apartment	423	From RM 245,000	2027

planning stage, mostly landed homes. These new supplies are mainly in Kota Bharu, Machang and Tanah Merah districts.

As at 1H2022, the total combined dwelling type units (residential plus serviced apartment/SOHO) overhang in Kelantan recorded 456 units worth RM187.97 million. Surprisingly, 77% of the overhang stock were terraced houses in the price bracket of RM200,001 to RM300,000. Meanwhile, the unsold serviced apartment units increased by 11% in volume and 4.9% in value registering 241 units valued at RM67.13 million.

Sales performance of new launches, i.e. primary market transactions, improved slightly in 2022. As at 1H2022, a total of 161 new units were launched, down by 3.6% y-o-y, whilst the sales performance achieved was higher at 21.7% compared to 3.0% sales recorded in 1H2021. The new launches were small-scale developments undertaken predominantly by local developers. Developers were seen to be cautious in launching their projects, given the domestic economic challenges. The sector however is expected to continue its post-pandemic recovery momentum driven by the gradual demand in landed properties, mainly for owner-occupied purchases.

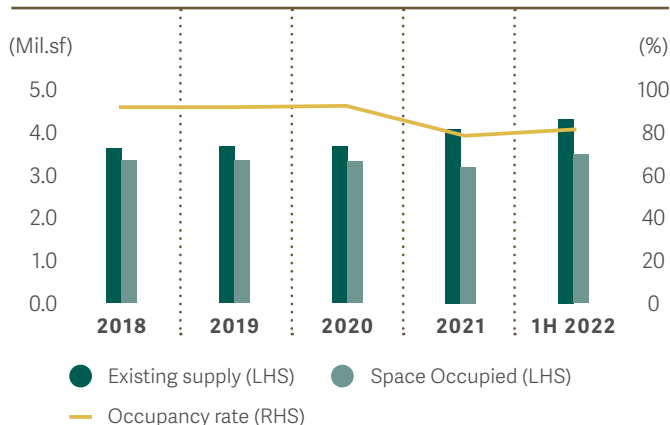
## Retail

As at 1H2022, the total retail space in Kelantan grew by 5.8% y-o-y to 4.34 million sf. Amongst the east coast states, Kelantan has the second highest retail space after Pahang.

In the years prior to the pandemic, the state's retail occupancy rate held well at over 90% up to the year 2020, based on NAPIC's official data. In 2021, the retail segment was hampered by several full and partial lockdowns,

### Existing Supply & Occupancy Rate of Retail Spaces in Kelantan (2018-1H 2022)

(Source: JPPH)



dropping its occupancy rate to 79.1%. The transition to the endemic phase since 1st April 2022 poised a positive sign where it improved marginally to 80.6% in 1H2022. Further recovery in occupancy can be expected due to the rebound in mall footfalls and retail sales.

MYDIN Mall Tunjong in Bandar Baru Tunjong was officially opened for business in March 2022. It is the largest and 67th MYDIN hypermarket outlet in Malaysia. This three-storey retail complex has 238,905 sf of retail space and houses other retail merchants such as Chatime, Marrybrown, Watsons and Sushi King.

## Purpose-Built Office

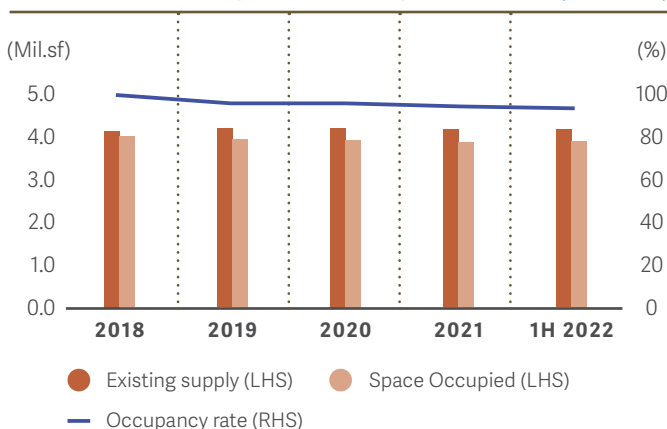
Kelantan's purpose-built office (PBO) supply remains unchanged at 4.21 million sf as at 1H2022. There was an insignificant reduction of office spaces by 0.1% or 4,822 sf recorded in 2021 as compared to 2020. Notably, seven out of ten PBO buildings in Kelantan were established in Kota Bharu.

The occupancy rate has maintained above 90% since 2018. As of 1H2022, the occupancy rate was recorded at 93.7%. The healthy occupancy rate is contributed by the government sector as they own 57% of the PBO spaces in the state, and government-related agencies are the major occupiers of many of these office buildings.

No new upcoming PBO spaces were recorded in 1H2022. Overall, the office market in Kelantan remains stable as businesses have returned to normalcy. The demand for PBO spaces has not been affected much by the pandemic

**Existing Supply & Occupancy Rate of Purpose-Built Office in Kelantan (2018-1H 2022)**

(Source: JPPH)



“No new upcoming PBO spaces were recorded in 1H2022.

Overall, the office market in Kelantan remains stable as businesses have returned to normalcy.”

wave as it is predominantly driven by government and government-related agencies, supported by local businesses.

## Shop Office

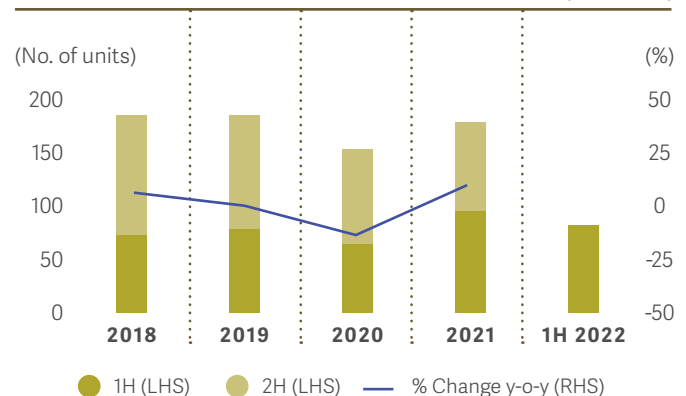
As at 1H2022, the volume and value of shop office transactions in Kelantan dipped by 13.8% and 32.2% respectively, registering a total of 81 transactions valued at RM48.41 million.

On the supply side, the number of the existing stock of shops increased marginally by 2.0% y-o-y to 13,614 units. In the next few years, an additional 983 units will be completed. Most of these incoming stocks are from 2 to 3-storey categories, with its presence concentrated in Kota Bharu and Kuala Krai.

Kelantan's shop offices overhang status as at 1H2022 was quite alarming as the number and value overhang increased dramatically by 125% and 89%, respectively. Most of the unsold units were from the 2 to 3-storey category within the price bracket of RM400,001 to RM500,000 and RM600,001 to RM700,000.

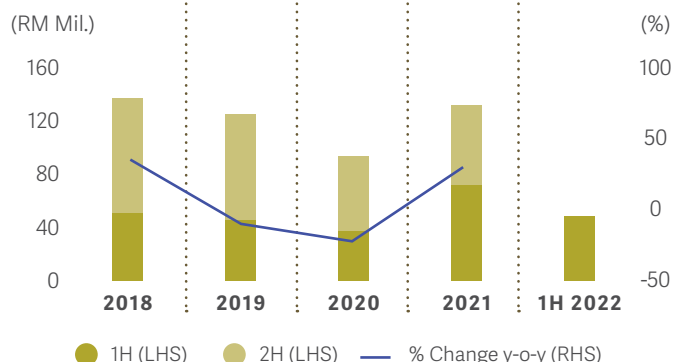
**Volume of Shop Office Property Transactions in Kelantan (2018-1H 2022)**

(Source: JPPH)



Value of Shop Office Property Transactions in Kelantan (2018-1H 2022)

(Source: JPPH)



## Hotel

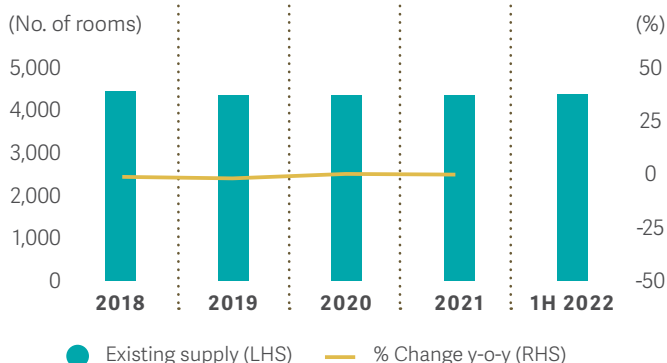
For the hotel segment, no changes were seen in the existing supply as at 1H2022, keeping the total hotel rooms at 4,360 while the incoming supply stood at 144 hotel rooms. Most of the hotels in Kelantan are operated by homegrown hospitality brands.

Domestic tourism is the key driver of Kelantan's tourism market, as most tourism activities are designed for local visitors. Kelantan tourism industry has been recovering after almost two years of juggling between border closures, movement restrictions and other COVID-19 containment measures. The state tourism board targeted between 800,000 and 1.0 million tourists for 2022, driven by the strong demand for domestic tourism.

Laman Warisan Kampung Laut was completed in July 2022. The 1.04-hectare project is the latest tourist attraction for both local and international visitors. It

Existing Supply of Hotels in Kelantan (2018-1H 2022)

(Source: JPPH)



“Kelantan tourism industry has been recovering after almost two years of juggling between border closures, movement restrictions and other COVID-19 containment measures.”

has turned Kampung Laut into a must-visit destination and spurred tourism-related activities in the area. Since opening, it has received about 300 to 700 visitors weekly.

## Industrial

Of the three states in the East Coast region, Kelantan had the lowest record in volume and value of transactions for industrial properties in the past few years. 1H2022 saw a significant hike in transactions with 18 transacted units worth RM33.36 million compared to 1H2021, though it is still lower compared to 1H2019's pre-COVID-19 market performance.

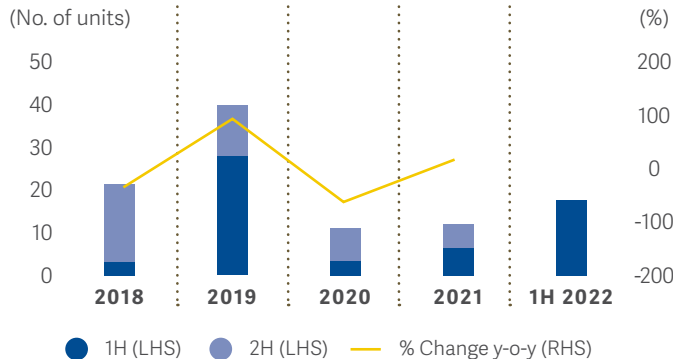
The existing supply of industrial property remained flattish, with nominal growth of 0.8% to 618 units. Terraced factories dominate the market with 261 units, followed by detached factories with 157 units. The most concentrated industrial areas are in Districts of Kota Bharu, Gua Musang and Kuala Krai. As at 1H2022, another 17 industrial units were in the pipeline.

Under the East Coast Economic Region (ECER) Master Plan 2.0 (2018-2025), the investment target for Kelantan is RM9.5 billion. From 2018 to July 2022, the state attracted committed investments worth RM6.3 billion, the highest compared to other East Coast states. Some of the major investment opportunities in Kelantan include Pasir Mas Halal Park (PMHP), Tok Bali Integrated Fisheries Park (TBIFP) and the upcoming Tok Bali Industrial Park (TBIP).

As Kelantan's industrial sector is not as robust as in other states, more promotional efforts, incentives and catalysts are needed to entice industrial players to invest in the state. The ongoing infrastructure and connectivity development, i.e., the East Coast Rail Link (ECRL), is the backbone for catalytic growth in the East Coast region and is vital for the industrial sector's connectivity.

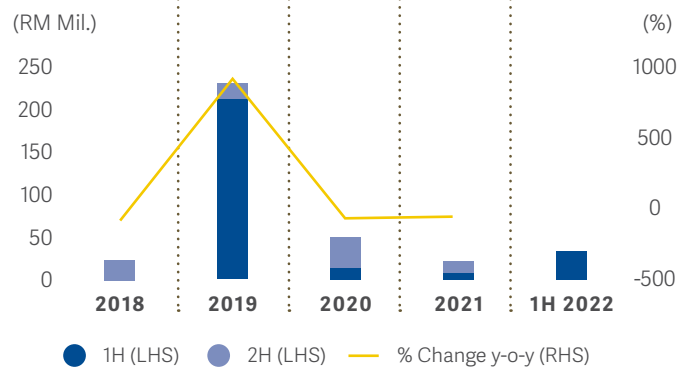
**Volume of Industrial Property Transactions in Kelantan (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Kelantan (2018-1H 2022)**

(Source: JPPH)



## Notable Announcements

- The ECRL line in Kelantan which is the Pasir Puteh to Kota Bharu stretch of 43.86 km, will be completed as scheduled by the end of 2026.
- The Kelantan section of the Central Spine Road which includes Package 1: Kuala Krai to Sungai Lakit Bridge (47km) and Package 2: Sungai Lakit Bridge to Gua Musang (59 km) have yet to start construction.
- The Pengkalan Chepa Sultan Ismail Petra Airport (LTSIP) upgrade and expansion project completion has been delayed to September 2024 from April 2024.
- The construction of the Kota Bharu – Kuala Krai Highway (KBKK) has resumed and is expected to be completed in 2025.
- The government has approved an allocation of RM300mil for the People's Highway Project (Projek Lebuhraya Rakyat) connecting Bukit Tiu and Kampung Berangan Mek Nab in Machang and is expected to be completed in April 2025.
- The new Kota Bharu Sentral Bus Terminal (KB Sentral) is scheduled to be completed by the end of 2025. The remaining commercial buildings and apartment components will be completed within nine years.
- Phase 2 of the Sungai Golok Delta Integrated River Basin Development project, which aims to tackle the flood problem, will be executed soon with an allocation of RM879 million. Phase

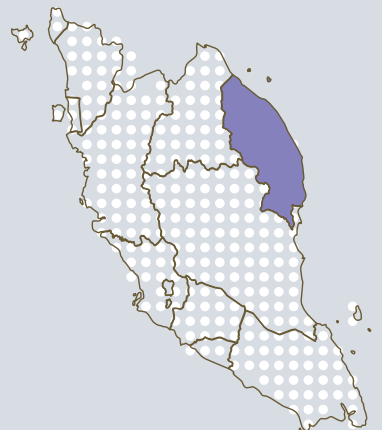
- 1, which involves Pengkalan Kubor to Sungai Lanchang, is expected to be ready by 2023, earlier than the initial target completion of April 2024.
- Tok Bali, a new potential growth center, was approved by MOF for a special tax incentive to increase Kelantan's competitiveness as an investment destination. Investors will be entitled to a 100% income tax exemption for 15 years and a special tax rate of 17% for the following five years. Non-citizens holding senior management positions in companies included under the Kelantan Special Incentive Package will receive a flat tax rate of 15%.
- Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), the healthcare arm of TDM Berhad is expanding its medical footprint in Bandar Baru Tunjong, Kota Bharu. The private hospital will accommodate 94 beds and a minimum of 300 parking bays on 9.56 acres under Phase 1 and the potential expansion of an additional 100 beds and 300 parking bays for Phase 2.
- The upcoming Sunway Medical Centre Kota Bharu (SMCKB) is pending zoning approval.
- The Bukit Merbau Sports Complex at Pasir Puteh was listed under the 12th Malaysia Plan (12MP) with an allocation of RM256 million, and the construction is to kickstart in early 2023. It will become the venue for Sukan Malaysia 2026 (SUKMA 2026).



# Terengganu Darul Iman



Terengganu State Museum, Kuala Terengganu



Capital: Kuala Terengganu

Est. Population: 1,187,000

Area (km<sup>2</sup>): 13,052

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	107,368 units	↑ 2.3% y-o-y
Transaction Volume	8,288 units	↑ 46.0% y-o-y
Transaction Value	RM1,120.69 mil.	↑ 42.6% y-o-y

### Retail

Supply	2.20 mil. sf	↑ 5.9% y-o-y
Occupancy Rate	78.8%	↑ 0.3% y-o-y
Rental	Prime: RM4.60psf – RM29.30psf	

### Purpose-Built Office

Supply	3.91 mil. sf	↑ 0.8% y-o-y
Occupancy Rate	96.3%	↓ 0.1% y-o-y
Rental	Prime area: RM1.70psf – RM 3.90psf	

### Shop Office

Supply	7,917 units	↑ 1.5% y-o-y
Transaction Volume	147 units	↑ 70.9% y-o-y
Transaction Value	RM99.03 mil.	↑ 89.3% y-o-y

### Hotel

Existing Supply	10,809 rooms	↑ 0.8% y-o-y
Incoming Supply	640 rooms	

### Industrial

Supply	866 units	↔ 0.0% y-o-y
Transaction Volume	17 units	↑ 112.5% y-o-y
Transaction Value	RM35.12 mil.	↑ 318.6% y-o-y

(Source: Rahim & Co Research, JPPH)

## Residential

Terengganu's total volume of transactions in the residential sector increased by 46.0% y-o-y in 1H2022, with 8,288 units changing hands. In line with the higher transacted volume, the total transaction value also grew higher by 42.6% to RM1,120.69 million. In general, the transaction activity has grown above the pre-pandemic level of 1H2019 after a significant downturn in 1H2020.

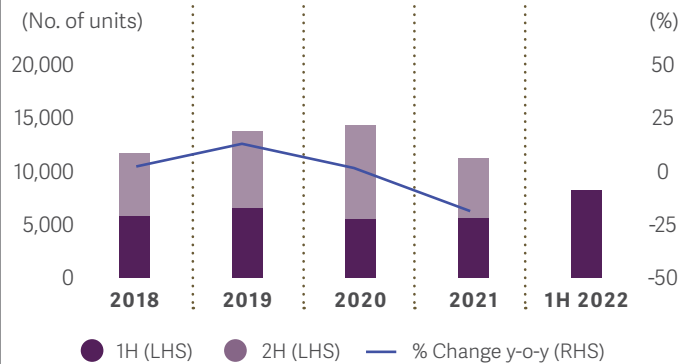
In terms of price bracket, most transactions remained below RM400,000, representing 96% of total transactions. Almost two-thirds or 5,040 residential properties, were transacted below RM100,000 and mostly comprised vacant plots – totalling 4,519 units.

On the supply front, Terengganu's residential stock rose by 2.3% to 107,368 units in 1H2022 compared to 1H2021. The detached house segment dominates the supply with 30.7% share, followed by terraced houses at 27.4%. Meanwhile, for the high-rise residential segment, condominiums/apartments accounted for only 1.5% of the total share. Separately, serviced apartment stock remained unchanged at 132 units.

In the near to mid-term, the supply is expected to increase to 134,331 units upon completion of some 17,203 incoming units and another 9,760 units currently under planning. The upcoming supply is mainly in Kemaman, Kuala Nerus, Kuala Terengganu and Marang.

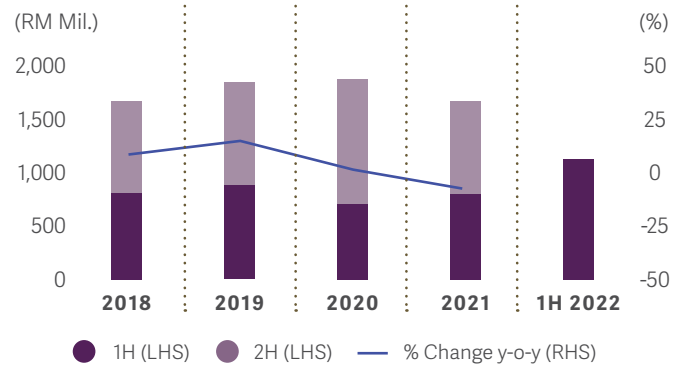
**Volume of Residential Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



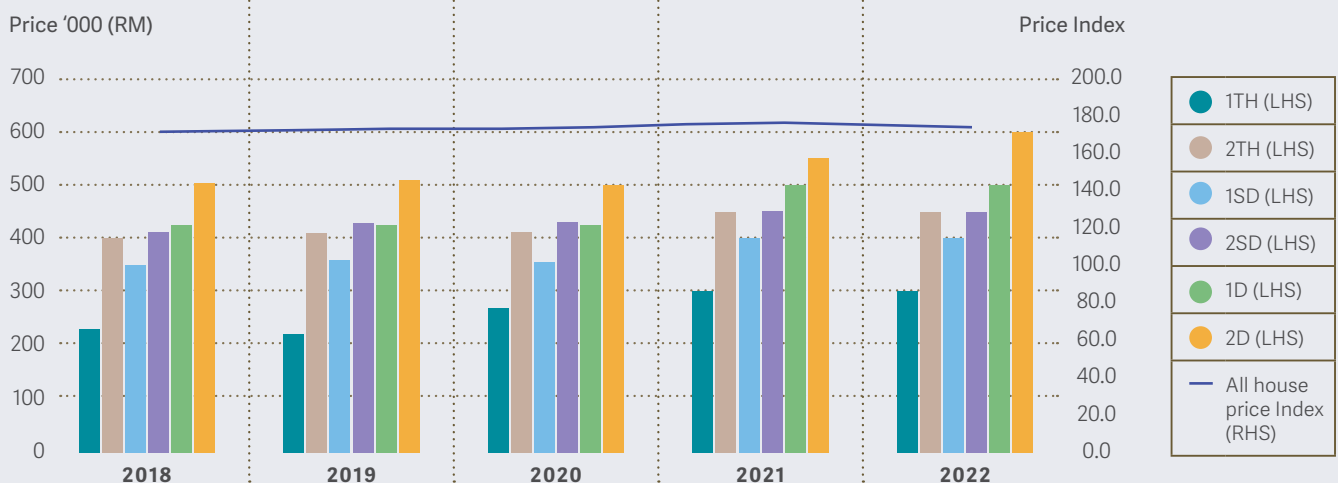
**Value of Residential Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



**Kuala Terengganu Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



## Selected Upcoming Residential Properties in Terengganu

(Source: Rahim &amp; Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
Taman Desa Buchu Utama	Batu Rakit, Kuala Nerus	1-sty Terraced	23	From RM 220,000	2022/2023
Kg Padang Mengkuang	Marang	1-sty Terraced	26	From RM 245,000	2022/2023
Taman Nusa Idaman	Kuala Ping	1-sty Terraced	232	From RM 188,500	2022/2023
Taman Residensi Tembesu	Kuala Nerus	2-sty Terraced	96	From RM 399,000	2022/2023
Taman Desa Mariam	Besut	1-sty Semi-Detached	12	From RM 289,000	2022/2023
Perumahan Kampung Baru, Kerteh (Kg. Chabang)	Kertih	1-sty Semi Detached	20	From RM 310,000	2022/2023
Taman Indah Suria	Batu 6, Sura	1-sty Semi Detached	6	From RM 530,948	2022/2023
Sarai 2.0 @ Kuala Terengganu Golf Resort	Kuala Terengganu	2-sty Detached	23	From RM 727,000	2022/2023
Taman Serai Impian	Dungun	1-sty Terraced	29	From RM 230,000	2023
Taman Alam Perdana	Pasir Semut	1-sty Terraced	98	From RM 229,000	2023
Taman D'Jaya	Jerteh	2-sty Terraced	20	From RM 299,000	2023
Taman Sabadin	Bandar Permaisuri	1-sty Detached	22	From RM 238,000	2023
Taman S'Kepas Putera	Jerteh	1-sty Detached	40	From RM 383,000	2023
Taman Rawai Perdana	Marang	1-sty Terraced	141	From RM 272,000	2024
Taman Suteramas Phase 3	Kg Mak Chili, Cukai	1 Semi D & 1 Detach	56	From RM 378,100	2024

The overhang units as at 1H2022 had increased sharply by 43.7% y-o-y, registering 638 units worth RM220.79 million. Note that overhang units mainly comprise of semi-detached and terraced houses priced between RM200,001 and RM400,000. These unsold units are mainly located in Kemaman. As for serviced apartments, the number of unsold units have narrowed slightly to 99 units worth RM42.79 million. Overall, the overhang situation in Terengganu is still within a manageable level.

Terengganu saw house prices decline in 2Q2022 with the Average House Price Index (AHPI) decreasing by 3.1% q-o-q settling at 174.5 points. This translated into an average house price of RM274,995. On an annual basis, the AHPI also decreased by 1.5% against 2Q2021. However, looking closer at the more popular housing areas, prices were still holding up with some recording slight increase due to buyers preference for these established locations.

In encouraging developers to provide more affordable homes to property buyers, the state government offered a development fee exemption for privatised affordable housing development of Type A and Type B, constructed on government land, effective April 2022.

With such movement, KPower Development Sdn Bhd (KDSB) received approval from the state government for an affordable and mixed housing development on 18.96 hectares of government land in Kuala Nerus. The developer planned to allocate a minimum of 50% commercial shop units at a 5% discounted price to Bumiputera buyers.

Another affordable mixed housing project will be developed on a 23.47-hectare land in Teluk Kalong by Arus Juta Sdn Bhd via a JV with the Terengganu state government. The project, comprising 484 affordable

single-storey terraced houses, 103 two-storey terraced house units and 14 office shop units, is scheduled to be completed in 2026.

## Retail

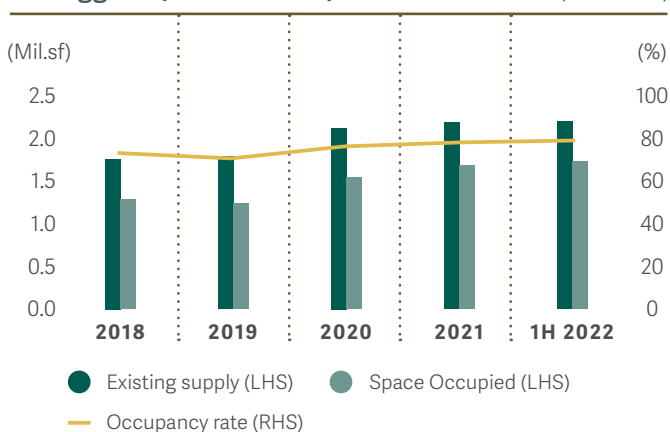
The cumulative retail supply in Terengganu stood at 2.20 million sf as at 1H2022. Despite a drop in 2019, the occupancy rate of retail malls has rebounded well in 2020 even with the addition of new supply. Continuous addition of retail space into the market did not drag down the occupancy, but kept improving, reaching 78.8% in 1H2022.

As at 1H 2022, future retail space at the construction stage was recorded at 1.36 million sf spread across 3 retail buildings. Of that, 1.28 million sf or 2 buildings are located in Kuala Terengganu, while the remaining 84,443 sf or 1 retail establishment is located in Besut.

The review period witnessed renowned global retailers making their presence in the state. Leading UK retailer WHSmith opened its first outlet in the East Coast region at Sultan Mahmud Airport, Terengganu. In January 2022, UNIQLO made its maiden entry by opening its first store at KTCC Mall.

Terengganu's retail sector will be receiving a new shopping mall soon. Mayang Mall, a 6-storey shopping complex with a net lettable area of 715,000 sf, was at the final stage of completion at the time of writing. Located in the heart of Kuala Terengganu City Centre, it will be anchored by SOGO Department Store and is scheduled for opening in 1H2023.

**Existing Supply & Occupancy Rate of Retail Spaces in Terengganu (2018-1H 2022)** (Source: JPPH)



“1H2022 saw the purpose-built office (PBO) sector registering a minimal supply increase of 1%”

## Purpose-Built Office

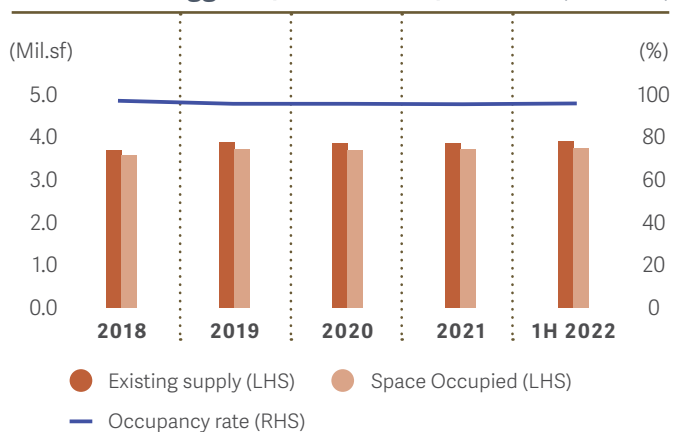
1H2022 saw the purpose-built office (PBO) sector registering a minimal supply increase of 1% - totalling 3.88 million sf, equating to 123 units of PBO buildings. Approximately four-fifths of office spaces were concentrated in Kuala Terengganu where government-owned buildings dominated 69% of the PBO sector. No new PBO buildings were completed during the review period.

The occupancy rate for PBO dropped slightly to 96.3% in 1H2022 from 96.4% in 1H2021. A healthy occupancy level trend of above 95% has been seen in the past few years.

There is only one upcoming supply of 686,382 sf of office space being developed in Kuala Terengganu, which is the government-owned Menara MBKT. The 30-storey office tower will be the new Kuala Terengganu City Council (MBKT) administrative centre and when completed by end-2022/early-2023, it will be the tallest tower in the state.

The PBO market of Terengganu is expected to remain stable though it was monotonous due to limited supply and the demand has been mainly driven by government-linked entities.

**Existing Supply & Occupancy Rate of Purpose-Built Office in Terengganu (2018-1H 2022)** (Source: JPPH)





## Shop Office

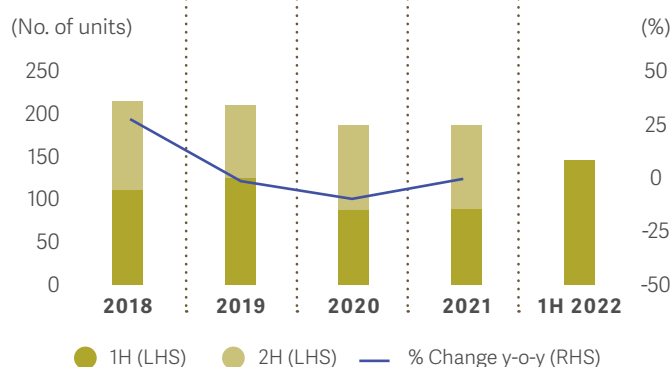
Generally, Terengganu has been experiencing a downtrend in the volume of shop office transactions between 2018 and 2021. In terms of value of transactions, 2019 exhibited the highest transaction value before the market started showing declining trends.

As of 1H2022, the market activity for the shop office segment has significantly improved, registering 147 transactions worth RM99.03 million, reflecting an annual growth of 70.9% and 89.2% respectively. The market is likely to outperform in the year's second half.

The selected types of shop office stock ranging from pre-war to 6-storey units in the state were recorded at 7,917 units. The 2-storey shop office units made up 50.4% of total existing stock, followed by the 3-storey units with 26.9% share. Meanwhile, the top 3 areas with the highest supply concentration are within the districts of Kuala Terengganu, Kemaman and Dungun. As at 1H 2022, there were a total of 861 units being constructed and primarily located in Hulu Terengganu and Kemaman.

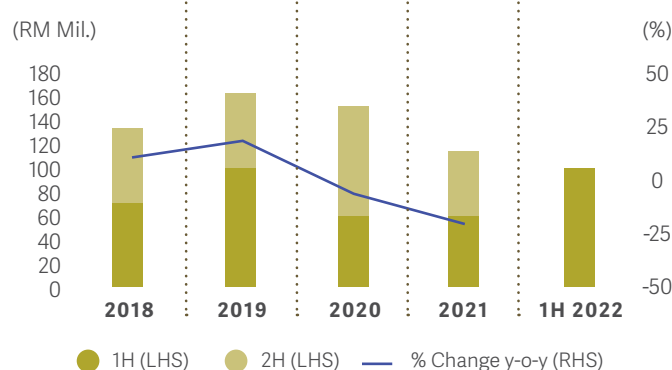
**Volume of Shop Office Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



**Value of Shop Office Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



## Hotel

From 2018 to 2021, Terengganu's hotel room supply grew at a CAGR of 7.0%. As of 1H2022, supply increased to 10,809 rooms following the completion of 4 new budget hotels bringing to a total of 245 hotel establishments according to official statistics.

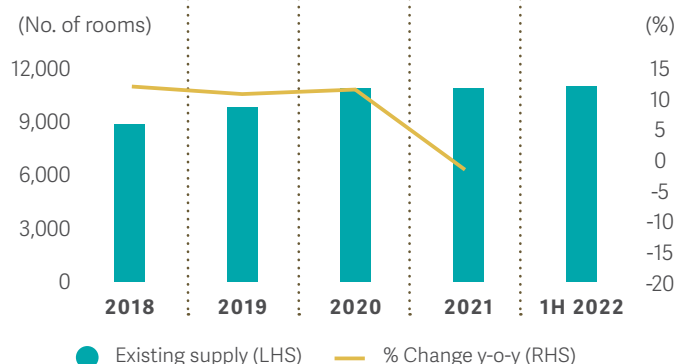
Of the total supply, 33 establishments were rated above 3-stars and mostly not affiliated with any international hotel chain. Notable branded hotels and resorts in the state include Resort World Kijal and Tanjong Jara Resort in Dungun, the Taaras Beach & Spa Resort in Pulau Redang, BuBu Long Beach Resort and Alunan Resort in Pulau Perhentian.

The state has another 5 hotels in the pipeline and this will inject an additional 640 rooms into the future supply. Two of the upcoming projects are international chain brands by Marriott International, namely Fairfield by Marriott in Kuala Besut and Perhentian Marriott Resort & Spa in Pulau Perhentian. Both are scheduled for completion in 2023 and will be offering 220 rooms and 80 rooms, respectively.

With domestic tourism being the backbone of Terengganu's tourism industry, the state's tourism board targeted 3.0 million tourist arrivals by the end of December 2022, following the Beautiful Terengganu 2022 carnival in March. The state government has collaborated with low-cost airline, AirAsia, and introduced a new direct flight between Kuala Terengganu and Kota Kinabalu as a helping hand to the tourism industry. The re-opening of tourism activities post-pandemic is expected to boost the hotel sector in the state.

**Existing Supply of Hotels in Terengganu (2018-1H 2022)**

(Source: JPPH)



## Industrial

As at 1H2022, the state registered a two-fold increase in volume and quadrupled in value to a record 17 transacted units worth RM35.12 million, compared to 1H2021. In the whole year of 2021, 25 industrial properties worth RM 268.89 million changed hands. During 2H2021, the state registered higher transactions – totaling 17 industrial units worth RM260.50 million, of which Kemaman was the main contributor, with 11 transactions worth RM246.95 million. Notably, 7 transactions worth RM244.21 million in Kemaman were Detached Factory/Warehouses. On the supply front, the existing stock remains unchanged at 866 industrial units and incoming supply stood at 83 units, mainly in the areas of Kemaman and Kuala Nerus.

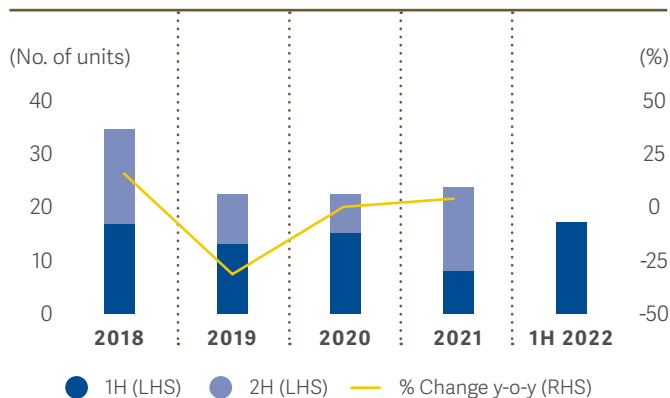
LBS Bina Group Bhd's subsidiary, MGB Berhad, had launched the Kertih Terengganu Industrial Park (KTIP), a 1,007-acre industrial estate with a 99 year leasehold land

tenure in Kertih. KTIP is strategically connected with ready infrastructure and facilities such as gas processing plants, oil refineries and ports (Kemaman Port and Kertih Port). To attract investors to KTIP, the government has offered special tax incentives, including exemptions on stamp duty and income tax under the East Coast Economic Region (ECER) Special Economic Zone.

The state's industrial sector is expected to remain resilient amid the challenging economy. Terengganu has strengthened its position as a preferred destination for investments, given its competitive cost of doing business and excellent infrastructure. The state has zoned 26 industrial areas to continue to attract significant investments. Furthermore, the future East Coast Railway Link (ECRL) will serve as a catalyst that will significantly spur economic growth along the alignment.

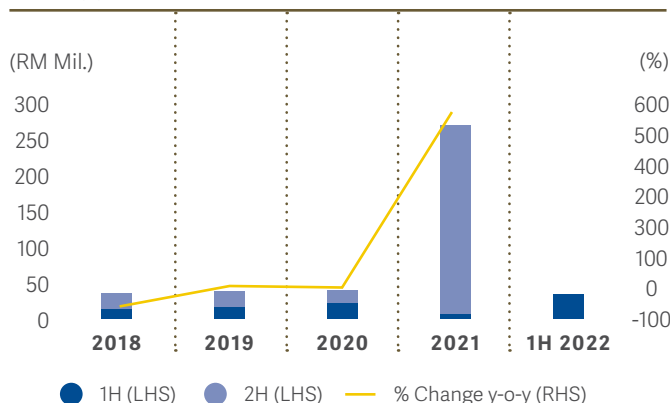
**Volume of Industrial Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



**Value of Industrial Property Transactions in Terengganu (2018-1H 2022)**

(Source: JPPH)



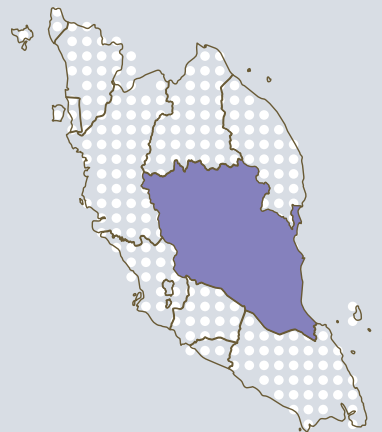
## Notable Announcements

- The federal government, through Budget 2023 will build five new schools. One of them is Sekolah Kebangsaan Paya Dusun, Dungun.
- A portion of RM367 million allocated for the new Program Perumahan Rakyat project, under Budget 2023 will also involve a project in Marang.
- The ongoing upgrading Marang River Bridge project in Marang is expected to be completed in October 2025.
- Tatra Investment LLC will invest in the Global Medical City in Terengganu Ecocycle Park to develop a Malaysia-UAE-China diagnosis, assessment, prevention and treatment center, focusing on biomolecular diagnostic and natural drugs (non-chemical) for the Southeast Asian market.
- Zenith Aim Group, a private homegrown property developer announced its intention to build a five-star beachfront hotel with more than 250 rooms on the border of Terengganu and Pahang.
- Seacera Group Bhd and Ikhlas Al Dain Sdn Bhd joined hands to develop holiday villas in Kemaman that will have an estimated gross development value (GDV) of RM156.46 million.

# Pahang Darul Makmur



Cameron Highlands



Capital: Kuantan

Est. Population: 1,612,500

Area (km<sup>2</sup>): 35,965

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	296,904 units	↑ 1.8% y-o-y
Transaction Volume	6,547 units	↑ 28.9% y-o-y
Transaction Value	RM1,566.18 mil.	↑ 31.4% y-o-y

### Retail

Supply	4.82 mil. sf	↑ 4.6% y-o-y
Occupancy Rate	71.5%	↓ 0.3% y-o-y
Rental	Prime: RM8.00psf – RM42.80psf	

### Purpose-Built Office

Supply	4.54 mil. sf	↑ 0.3% y-o-y
Occupancy Rate	88.0%	↓ 0.4% y-o-y
Rental	Prime area: RM1.10psf – RM 3.80psf	

### Shop Office

Supply	24,697 units	↑ 0.8% y-o-y
Transaction Volume	330 units	↑ 35.2% y-o-y
Transaction Value	RM229.04 mil.	↑ 33.2% y-o-y

### Hotel

Existing Supply	25,601 rooms	↑ 0.9% y-o-y
Incoming Supply	N/A	

### Industrial

Supply	3,637 units	↑ 1.6% y-o-y
Transaction Volume	87 units	↑ 20.8% y-o-y
Transaction Value	RM79.61 mil.	↑ 63.3% y-o-y

(Source: Rahim & Co Research, JPPH)

## Residential

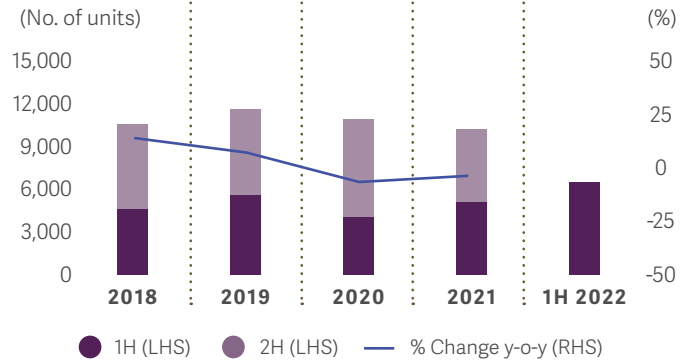
Pahang registered a total of 6,547 residential property transactions with a collective value of RM1.57 billion in 1H2022. This was an improvement of 28.9% and 31.4% respectively, compared to 1H2021. The District of Kuantan accounts for most number of activities at 3,269 transactions worth RM809.20 million.

The terraced house category had the most significant transactional share, which represented 43.0% in volume and 51.3% in value of residential transactions with 2,817 units worth RM804.02 million. Most transactions were within the price range of RM200,001 and RM300,000.

There was a rise in market activity of the high-rise residential segment including serviced apartment in 1H2022 with 339 transacted units worth RM122.44 million. These transacted units were mainly in Districts of Bentong and Cameron Highlands - famously known for its resort hotspots and the cool-breeze hilltop climate. Several ongoing high-rise developments in Pahang include Grand Ion Majestic, Antara @ Genting Highlands, Geo Antharas, IBN Highlands City (Phase 1) and TwinPines Serviced Suites, to name a few.

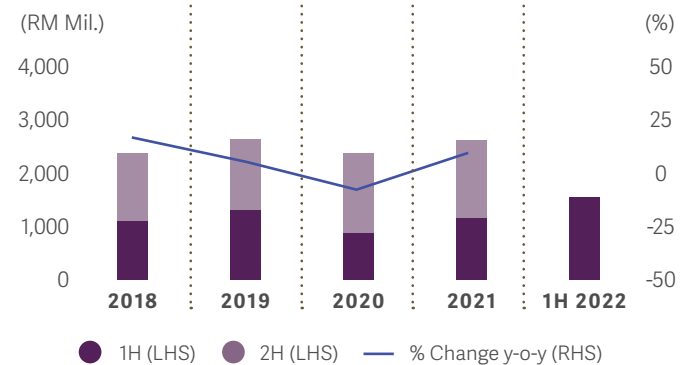
**Volume of Residential Property Transactions in Pahang (2018-1H 2022)**

(Source: JPPH)



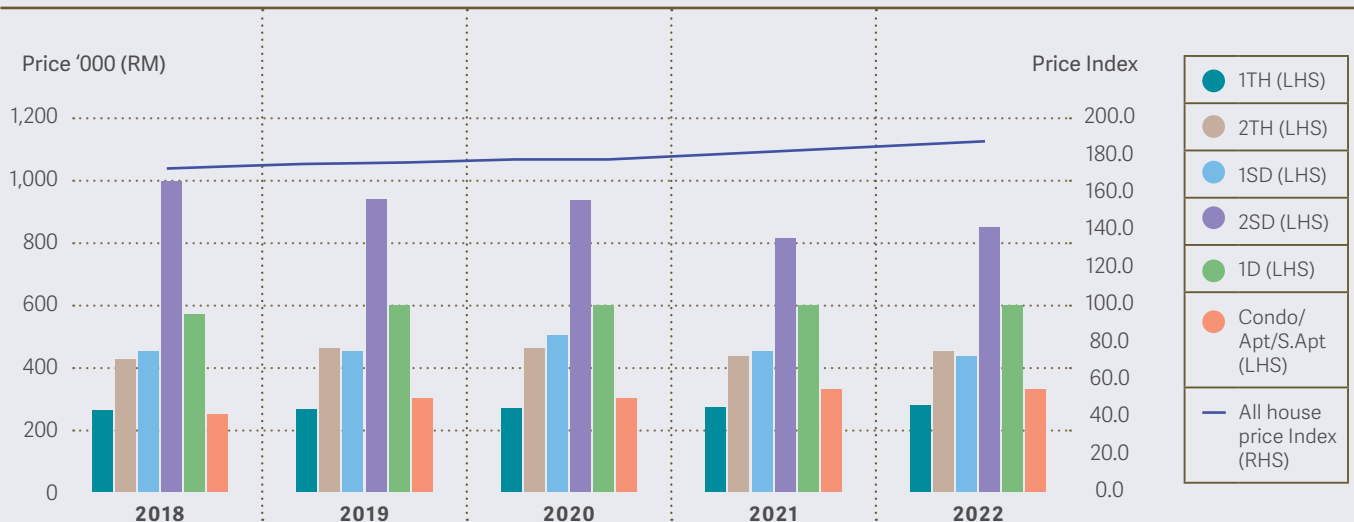
**Value of Residential Property Transactions in Pahang (2018-1H 2022)**

(Source: JPPH)



**Kuantan Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)

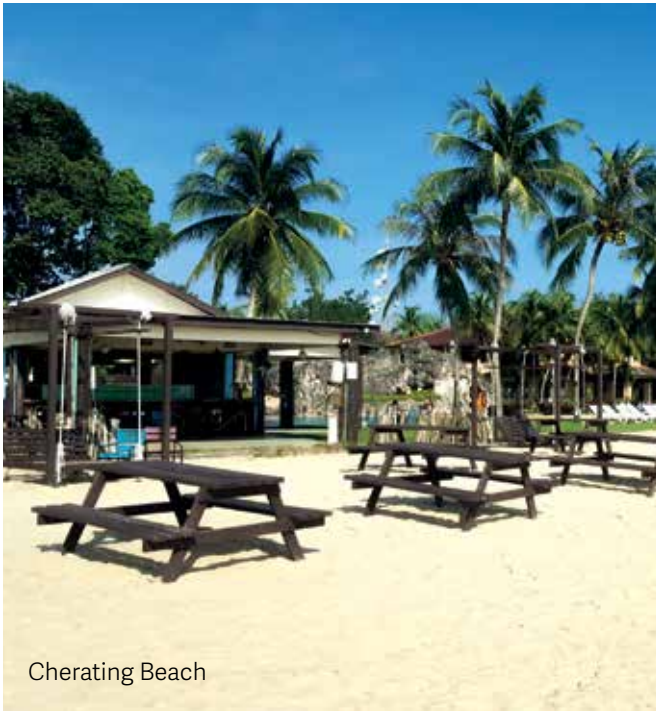




## Selected Upcoming Residential Properties in Pahang

(Source: Rahim &amp; Co Research)

Development	Location	Type	No Of Units	Selling Price	Expected Completion
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
Taman Tualang Permai	Temerloh	1-sty Terraced	18	From RM 188,000	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	2023
Pelindung Heights	Kuantan	2-sty Semi-Detached	38	From RM839,790	2023
Taman MH Kempadang Residences	Kuantan	1-sty Semi-Detached	12	From RM387,000	2023
Taman Pulau Mutiara	Temerloh	1-sty detached/ Semi-detached/ Terraced & 2-sty terraced	30	From RM 219,000	2023
Lestarry Heights	Temerloh	2-sty Terraced	24	From RM 518,000	2023
Taman Makmur Height	Temerloh	2-sty Terraced	64	From RM 398,905	2023
Impiana Bentong Residence	Temerloh	2-sty Terraced	61	From RM 549,540	2023
The Pine	Balok	1-sty Terraced	30	From RM235,000	2024
Casa Mutiara Pandan 2	Kuantan Bypass	1-sty Terraced	26	From RM243,000	2024
Laman Desa Sg Soi	Sg Soi	1-sty Terraced	30	From RM250,000	2024
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
Tropicana Grandhill	Genting Highlands	Serviced Apartment	1,443	From RM397,000	2026



Cherating Beach

As at 1H2022, the cumulative supply of existing residential properties in Pahang stood at 296,904 units, with the terraced house category forming the largest supply with 121,702 units or 41.0% share. Condominiums/apartments only contributed about 4.1% of the total or 12,070 units. Separately, serviced apartment stock remained constant at 6,398 units.

Pahang is expected to see the completion of 15,812 residential units including serviced apartments and SOHO over the next few years. The bulk of new supply will mainly come from Kuantan, totalling 7,623 units.

In 1H2022, the residential overhang in Pahang saw an increase of 8.1% y-o-y, with a total of 1,364 units. More than two-fifths of the unsold units were condominiums/apartments. This was followed by terraced houses in the 2 to 3-storey category and priced between RM400,001 to RM500,000. Separately, the serviced apartment overhang units dipped by 4.0%, registering 97 units and all were within the price range of RM300,001 to RM400,000.

One of the new developments in the state would be Antara @ Genting Highlands by Aset Kayamas Sdn Bhd, consisting of four residential towers of 44 and 46-storeys offering 1,460 units, sized from 520 sf to 1,066 sf and a 50,000 sf retail podium. The development will have direct access to a covered walkway leading to SkyAvenue and Awana Skyway Chin Swee Station and is expected to be completed by 2025. Vortex Consolidated Bhd entered into a conditional sale and purchase agreement with Aset Kayamas for the en-bloc purchase of 187 units at a discounted bulk sale price of RM246.35 million.

“Pahang is expected to see the completion of 15,812 residential units including serviced apartments and SOHO over the next few years. The bulk of new supply will mainly come from Kuantan, totalling 7,623 units.”

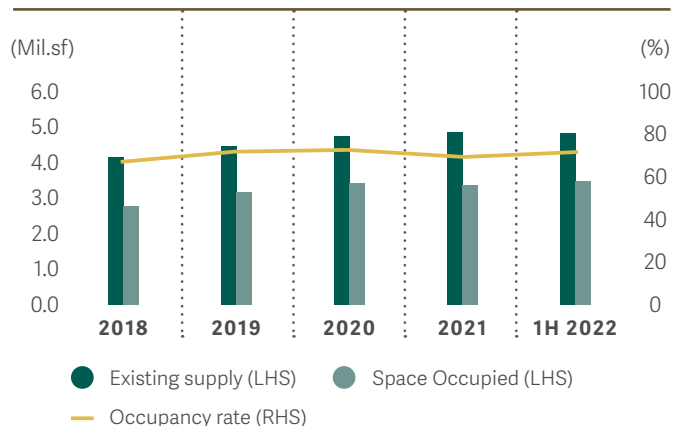
The state government introduced ‘Skim Tanah Warisan (STW)’ – an addition to the existing affordable housing program available (i.e. Prima Pahang, Rumah Rakyat Pahang, Rumah Makmur, etc.), to assist low-income groups across the state to own their first home. The initiative aims to ease the financial burden by building homes on land lots provided by the state government. The participants will only need to fork out the construction costs while the state government will subsidise land and infrastructure costs. A moratorium of 10 years will be imposed where the participants are not allowed to sell their plots under this scheme.

## Retail

Pahang’s cumulative supply of retail space stood at 4.82 million sf as at 1H2022. The bulk of retail supply comes from the District of Kuantan, with 2.70 million sf or 56.0% of the total retail space share, followed by the District of Bentong with 20.3% share, translating to 977,309 sf. One retail complex in Kuantan that is under construction

### Existing Supply & Occupancy Rate of Retail Spaces in Pahang (2018-1H 2022)

(Source: JPPH)



will contribute an additional supply of 106,498 sf upon completion. The average retail occupancy improved to 71.5% in 1H2022 after a drop to 69.4% in 2021.

The East Coast Mall in Kuantan, as at September 2022, registered an average occupancy rate of 98.3%, underpinned by the new retail offerings from F&B and fashion categories, namely The Coffee Bean & Tea Leaf, Gigi Coffee, RCB Polo Club, Havaianas, Universal Traveller and Anta.

Meanwhile, the Genting Premium Outlets in Genting Highlands managed to maintain a near-full occupancy of its retail spaces and are expected to continue performing well, hinging on the recovery of the tourism sector. The destination mall marked its fifth year of operations and saw the opening of new luxury brand names and F&B outlets such as Hour Passion Boutique, Polo Ralph Lauren Children, emart24 and Ali, Muthu & Ah Hock Kopitiam.

Overall, the retail segment will remain challenging. Despite the retail indicators showing recovery signs backed by the shopping traffic that has picked up, the sentiment remains cautious weighted by the rising interest rates and inflationary pressures.

## Purpose-Built Office

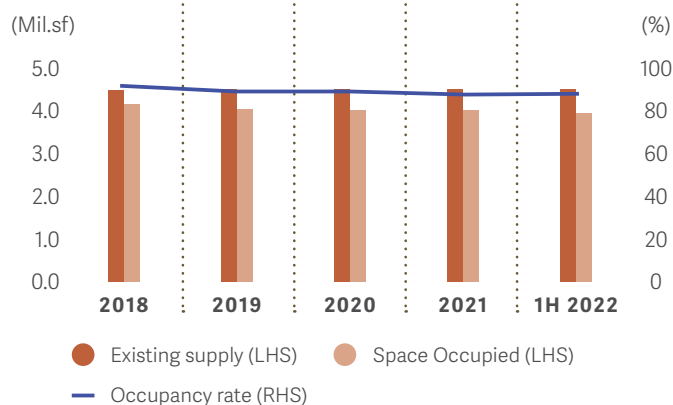
Pahang's purpose-built office (PBO) segment has maintained its tenancy levels, despite showing a downward trend since 2018. The segment is dominated by government-owned buildings, totalling 83 units out of 154 buildings state-wide, contributing to the healthy occupancy rate of 88.0% in 1H2022.

The cumulative supply of PBO space increased marginally to 4.54 million sf in 1H2022 from 4.53 million sf in 1H2021. Adding to this, there is also an upcoming supply of 391,537 sf (1 building) of purpose-built office in Kuantan.

Like other states in the East Coast Region, the PBO market in Pahang remains stable as there is limited supply in the state. Office space is expected to increase steadily though with the new supply in Kuantan as well as in District of Lipis which also has a planned supply of another 52,862 sf.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Pahang (2018-1H 2022)

(Source: JPPH)



## Shop Office

The transactional activities for the shop office market in Pahang have significantly improved in 1H2022, registering a total of 330 units with the corresponding value of RM229.03 million, representing a y-o-y increment of 35.2% in volume and 33.2% in value.

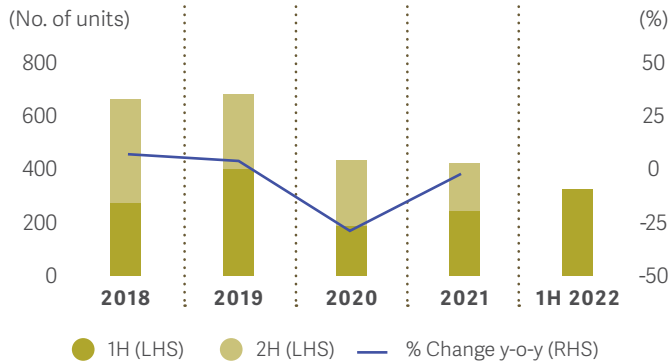
Demand remained focused on 2-storey shop offices, which accounted for 61.8% of total shop office transactions, followed by 3-storey and pre-war units with 25.2% and 7.6% market share respectively. By locality, more than a third of the shop office transactions were recorded in Kuantan, with 123 transacted units worth RM89.6 million.

The cumulative existing stock of shop offices, ranging from pre-war to 6-storey types in Pahang, has slightly increased to 24,697 units in 1H2022 from 24,494 units in 1H2021. The highest shop office supply was concentrated in Kuantan, representing two-fifths of the market share. By type, 2-storey units dominated the market, indicating that this category is the most favourable development. This is also evident from the incoming supply where 53% of the 1,142 new units are under the 2-storey shop office category.

On a better note, the shop office overhang status in Pahang improved in 1H2022. There were 450 units unsold, indicating a decrease of 21.3% in volume.

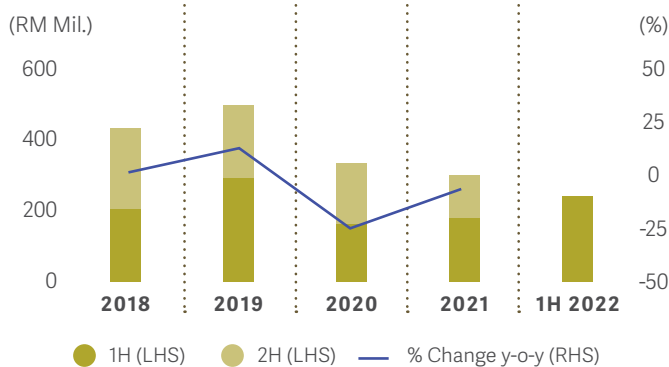
**Volume of Shop Office Property Transactions in Pahang (2018-1H 2022)**

(Source: JPPH)



**Value of Shop Office Property Transactions in Pahang (2018-1H 2022)**

(Source: JPPH)



## Hotel

Pahang's hotel room supply had grown steadily year-on-year. As of 1H2022, the existing supply of hospitality accommodations across the state stood at 25,601 rooms, equating to 302 lodging establishments. A breakdown of room supply by star rating showed that rating of 3-star and above contributed 61.2% of the total stock. During the review period, no new hotel supply was seen, but 6 hotels with 696 rooms were in the planning stage.

Pahang, the largest state in Peninsular Malaysia, has more to offer with a wide range of tourism products from sandy beaches, ecotourism, island tourism, forest reserve and highlands. The state's highland attractions,

“Astrotourism or celestial tourism, also dubbed a dark sky is the new tourist attraction in the state.”

i.e. Genting Highlands, Cameron Highlands, Fraser's Hill and Janda Baik, are popular holiday destinations and have continuously been the major crowd pullers amongst locals for a weekend getaway and foreign tourists.

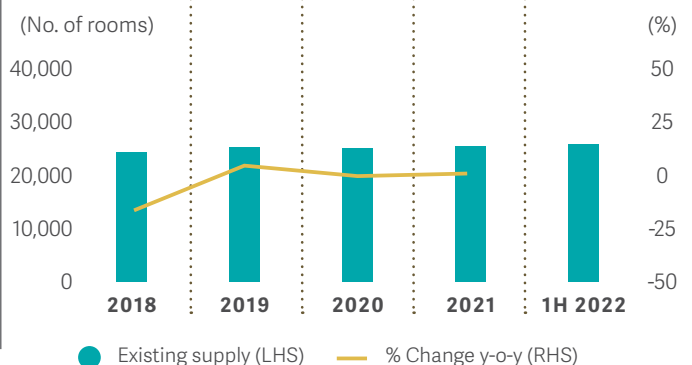
Astrotourism or celestial tourism, also dubbed a dark sky is the new tourist attraction in the state. It gives visitors the chance to experience a beautiful sky full of stars in a dark area free from light pollution.

Kuantan 188 is a 188-meter iconic tower and the latest tourist attraction in Pahang that was officially opened in December 2021. Managed by Hospitality 360, the hospitality arm of MAA Group Berhad was targeting 350,000 visitors for 2022. It offers spectacular 360-degree views of Kuantan City and the Kuantan River. Several other attractions and activities are available such as a 98 meters ground restaurant, an open viewing deck, a skywalk, a drop zone and an antenna climb.

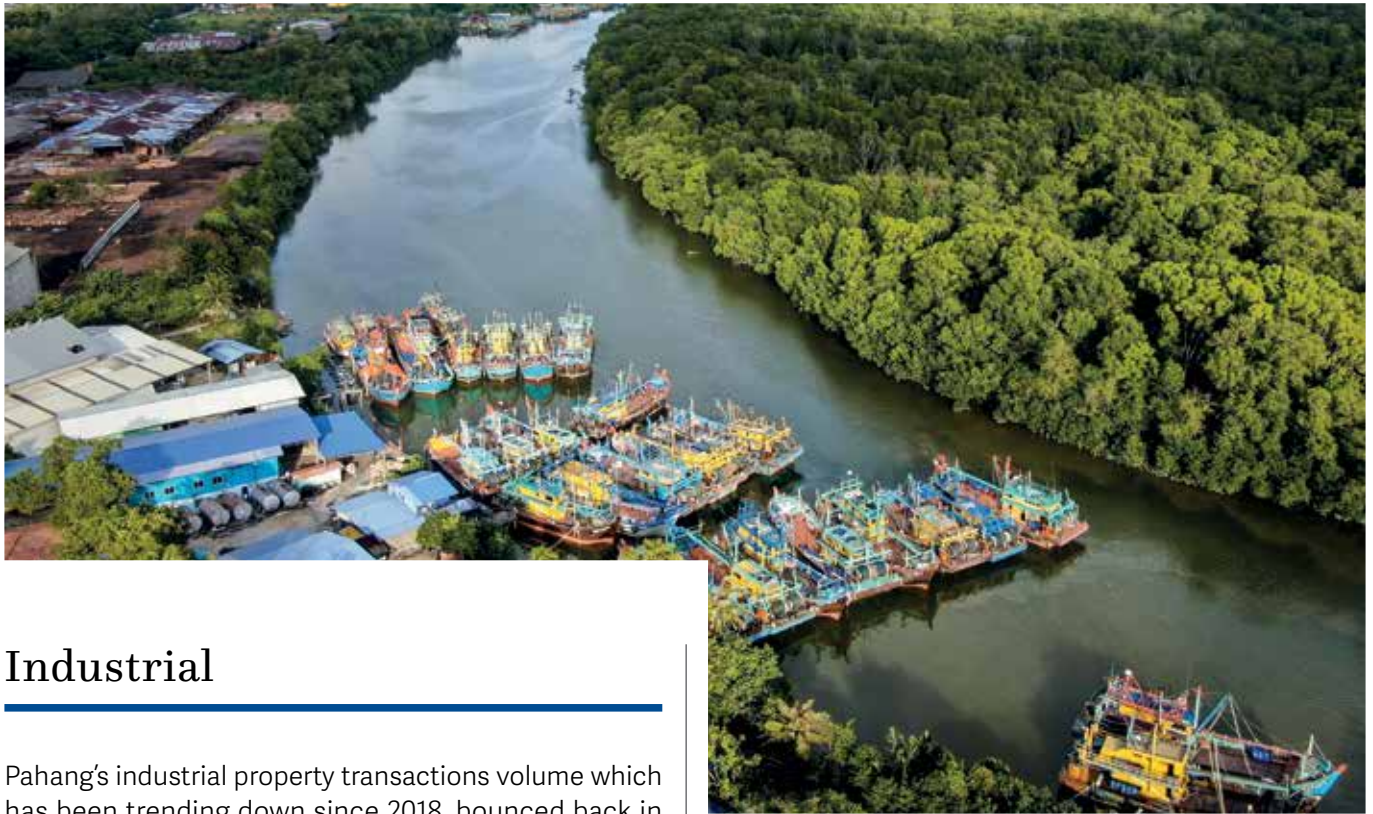
Over the years, domestic tourism has mainly boosted Pahang's tourism scene. As such, the tourism board was targeting 8.0 million visitors for 2022, which relies heavily on domestic tourists. 'This Is Pahang 2022-Unlimited' was the new tourism theme for the state as part of a strategy to revive the industry. The state government is continuously strengthening the promotion and campaign of tourism products in Pahang.

**Existing Supply of Hotels in Pahang (2018-1H 2022)**

(Source: JPPH)







## Industrial

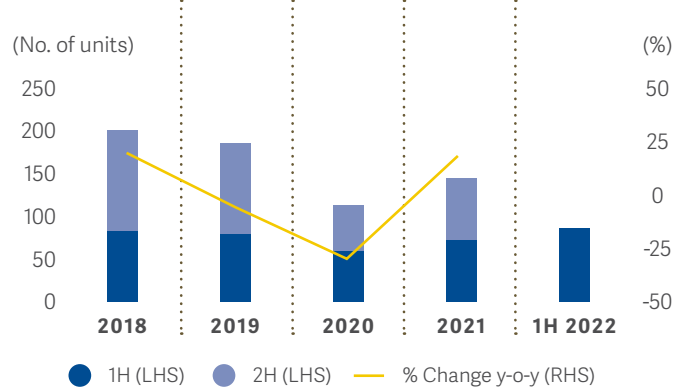
Pahang's industrial property transactions volume which has been trending down since 2018, bounced back in 2021 after its worst performance in 2020. A total of 156 industrial properties worth RM122.60 million changed hands in 2021. As at 1H2022, the state registered 87 industrial property transactions worth RM79.61 million, reflecting a 20.8% increase in volume and nearly two-thirds increase in value. Notably, almost half of Pahang industrial property transactions were focused in Kuantan and vacant industrial plots formed the majority of transactional activities by property type.

The existing supply of industrial properties in Pahang stood at 3,637 units as at 1H2022. Most of the supply comprise of the terraced category – totalling 2,365 units or 65% of the total stock. The total incoming industrial properties is 49 units, whereas the terraced category dominates future supply at 47 units and are mostly located in the District of Bentong. Upon completion, it will bring the cumulative supply of industrial properties in Pahang to 3,686 units.

IJM Corp Bhd marks its first 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).

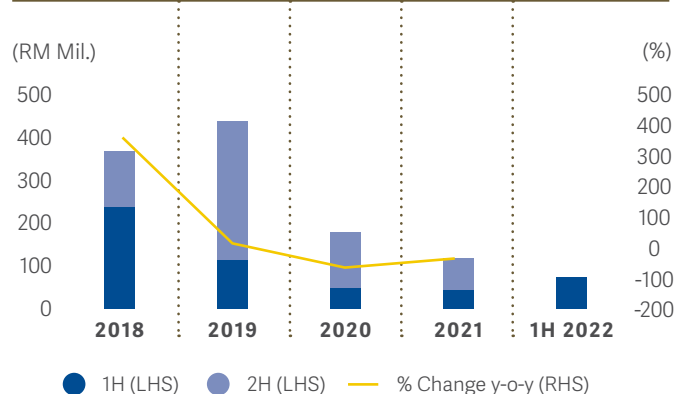
### Volume of Industrial Property Transactions in Pahang (2018-1H 2022)

(Source: JPPH)



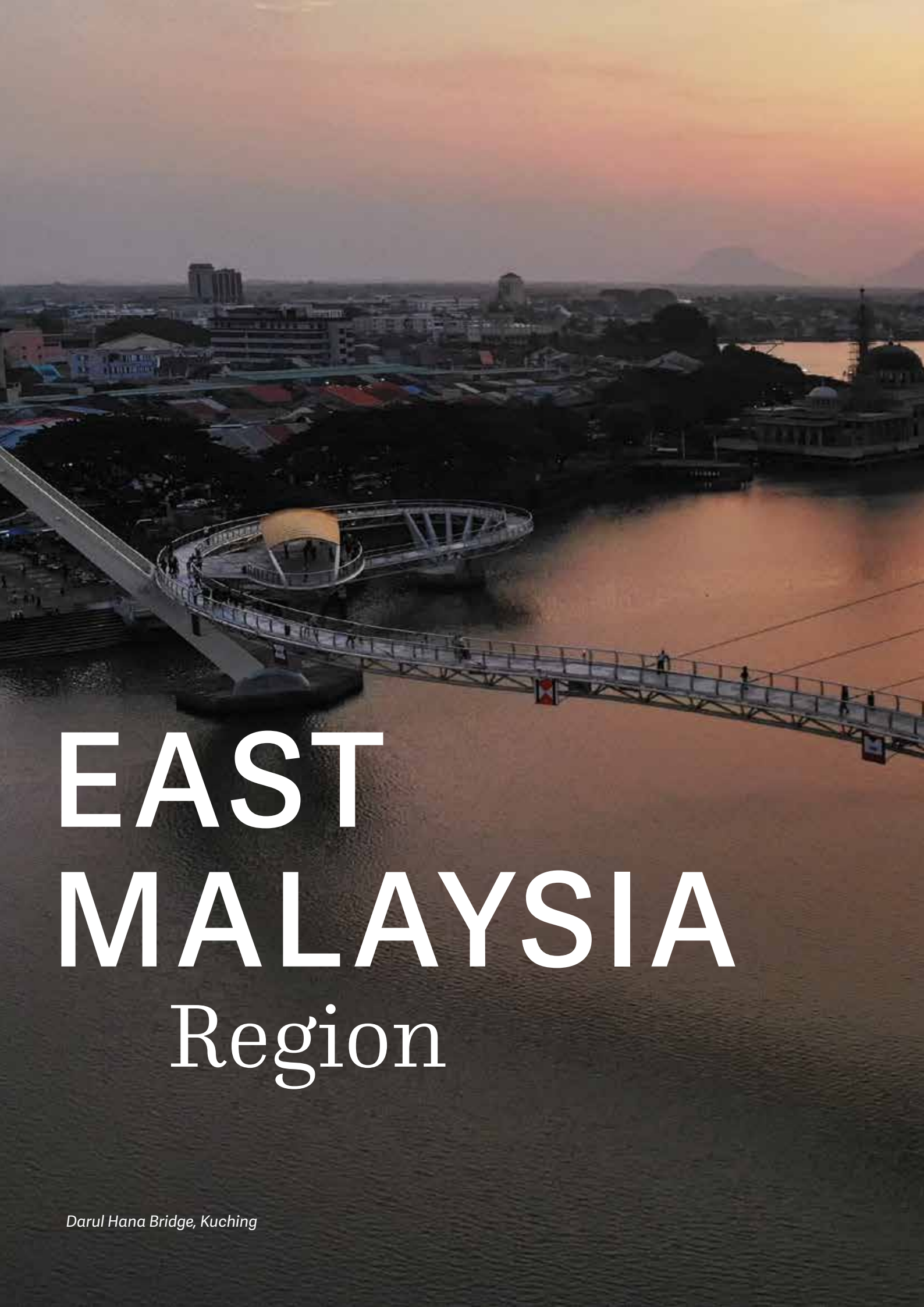
### Value of Industrial Property Transactions in Pahang (2018-1H 2022)

(Source: JPPH)



## Notable Announcements

- The state government signed a memorandum of understanding (MoU) with four companies for the Kuantan Skytrain Development Project, costing RM 18.29 billion. The rail system involves 2 phases, covering 54.5km through three rail lines. Phase 1 will cover 2 lines that consist of 4 Skytrain stations. Line 1 involves a 12.5km distance that connects Menara Kuantan 188 to KOTASAS and Line 2 will cover a distance of 10 km, connecting Menara Kuantan 188 to Teluk Cempedak. Phase 2 will cover approximately 32km and connect KOTASAS to the upcoming Kuantan International Airport.
- The RM2 billion construction of the Kuantan International Airport in Gebeng is scheduled to kick off in 2023 and is expected to be fully operational in 2026. The new airport is also part of the Pahang Aerospace City – a mixed development involving an area of 5,042 hectares, which will catalyse Pahang's economic growth.
- AIM Realty Development has signed an agreement with Asbenz Stern to build its Mercedes-Benz Autohaus in the Mahkota Valley development at Bandar Baru Kuantan, Indera Mahkota. On top of that, Mahkota Valley will be housing the Valley Suite studio apartments and the Tunku Abdul Rahman University College (TAR UC). The entire development of Mahkota Valley is designed as a residential, commercial, cultural, institutional and entertainment hub.
- Pahang Barat Plus is the newly-established economic growth region in west Pahang which focuses on the tourism, agriculture, wood, services and mineral clusters and is expected to be able to ensure a balanced economic development in each Pahang District.
- LBS Bina Group Bhd had proposed to purchase two pieces of land measuring 309.95-acres in Bentong from Pejabat Setiausaha Kerajaan Pahang for a total consideration of RM97.85 million. The land plots are strategically located within notable landmarks such as Genting Highlands, Genting Premium Outlet, Awana Genting Golf Course and Goh Tong Jaya. The developer aims to develop a mixed development consisting of serviced apartments, double-storey terraced houses, townhouses, bungalows, commercial units, tourism activities and amenities of hospitals and schools.
- Dynaciate Group Bhd had proposed to acquire a piece of freehold industrial land measuring 5.82-acre in Bentong from KPower Bhd for RM12 million. The acquisition includes a double-storey office building, single-storey factory, double-storey warehouse and single-storey warehouse.
- Encorp Bhd is partnering with Touch Group Holdings Sdn Bhd to develop a 4.97-acre piece of land in Teluk Cempedak, Kuantan into a mixed development featuring retail lots, serviced apartments and a car park podium which is expected to be completed in 2027.
- Nextgreen Global Bhd has invested RM162 million for the construction of three buildings at Green Technology Park (GTP) in Pekan, for the production of tissue paper, animal feed and fertilizer.
- In October 2022, the excavation works of the Kuantan Tunnel of East Coast Rail Link (ECRL) were completed ahead of schedule, becoming the 12th ECRL tunnel to complete. Reportedly, the ongoing excavation works for three more tunnels are expected to finish by end-2022.



# EAST MALAYSIA Region

*Darul Hana Bridge, Kuching*



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Sarawak

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Sabah

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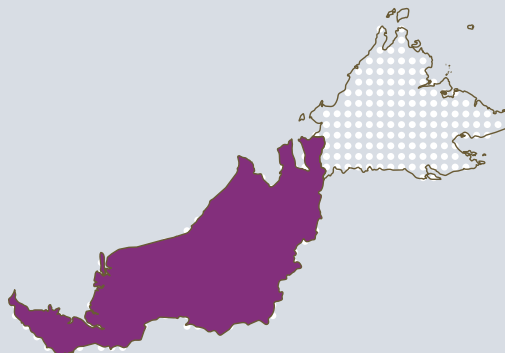




# Sarawak Bumi Kenyalang



Sarawak State Legislative Assembly Building



Capital: Kuching

Est. Population: 2,470,900

Area (km<sup>2</sup>): 124,450

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	280,894 units	↑ 1.4% y-o-y
Transaction Volume	6,369 units	↑ 31.5% y-o-y
Transaction Value	RM2,050.72 mil.	↑ 31.2% y-o-y

### Retail

Supply	11.67 mil. sf	↑ 3.9 % y-o-y
Occupancy Rate	76.3%	↑ 1.6% y-o-y
Rental	Prime: RM3.00psf – RM23.00psf	

### Purpose-Built Office

Supply	8.81 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	90.9%	↑ 0.2% y-o-y
Rental	Prime area: RM1.80psf – RM4.00psf	

### Shop Office

Supply	33,345 units	↑ 0.9% y-o-y
Transaction Volume	1,006 units	↑ 32.7% y-o-y
Transaction Value	RM478.59 mil.	↑ 18.3% y-o-y

### Hotel

Existing Supply	20,387 rooms	↑ 1.4% y-o-y
Incoming Supply	318 rooms	

### Industrial

Supply	7,327 units	↓ 0.3% y-o-y
Transaction Volume	254 units	↑ 19.2% y-o-y
Transaction Value	RM206.12 mil.	↓ 0.1% y-o-y

(Source: Rahim & Co Research, JPPH)

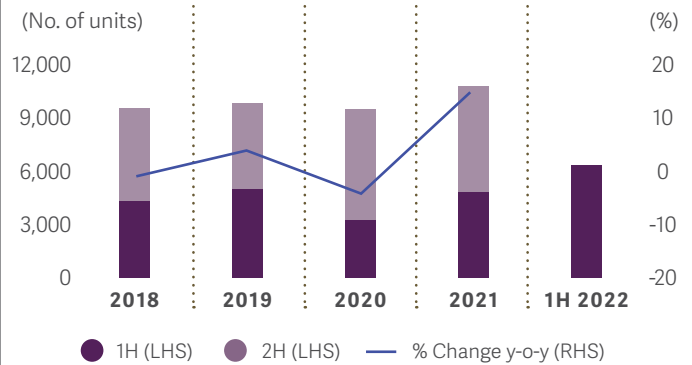
## Residential

The state of Sarawak registered a total of 6,369 residential transactions with a collective value of RM2.05 billion in 1H2022. This was an improvement of 31.5% and 31.2% respectively compared to 1H2021. The residential sector of Sarawak regained momentum of pre-pandemic levels in 2021 itself by recording a 9.3% and 24.9% growth in volume and value of transactions from 2019. Two to three-storey terraced houses had the most transactions at 1,722 units and they were largely priced between RM200,001 and RM300,000. The second highest transacted category was single-storey terraced houses which had 1,113 units sold with 34.6% of them also being in the price range of RM200,001 to RM300,000. This could mean that residential properties priced between RM200,000 and RM300,000 were the most in-demand here. Separately, the state had only 4 serviced apartment and 11 SOHO transactions in 1H2022 as compared to 1 and 5 units respectively in 1H2022, as recorded by NAPIC. The total transaction value for the same rose to RM1.78 million and RM3.95 million in 1H2022 from RM0.55 million and RM1.54 million respectively in 1H2021.

The supply of existing residential properties in Sarawak in 1H2022 stood at 280,895 units, a rise of 1.4% from 1H2021. Terraced houses formed the largest supply with a 64.0% share followed by 2 to 3-storey semi-detached houses

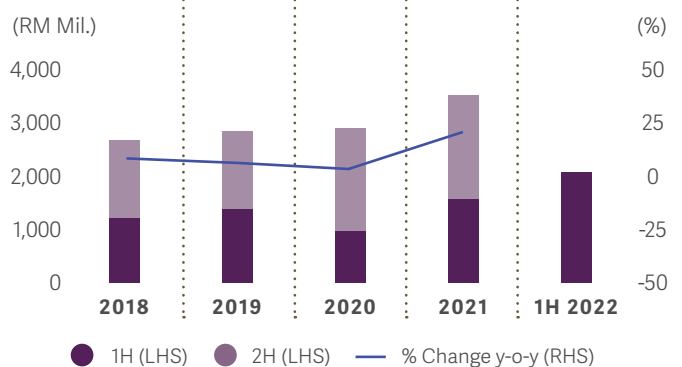
**Volume of Residential Property Transactions in Sarawak (2018-1H 2022)**

(Source: JPPH)



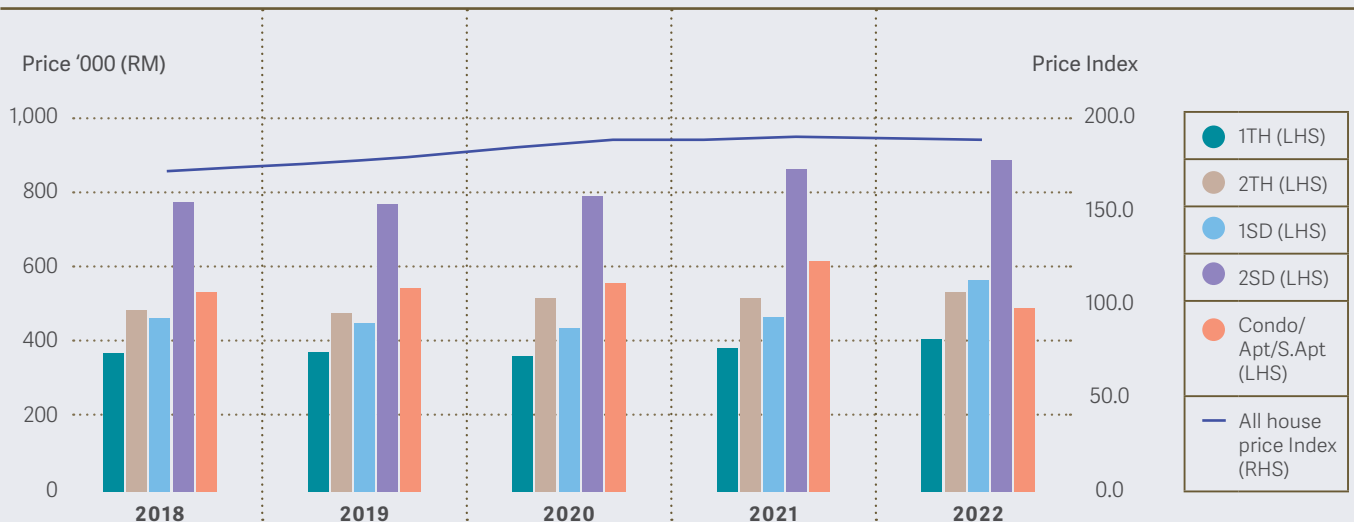
**Value of Residential Property Transactions in Sarawak (2018-1H 2022)**

(Source: JPPH)



**Kuching Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



### Selected Upcoming Landed Residential Properties in Sarawak

(Source: Rahim &amp; 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	60	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

### Selected Upcoming High-Rise Residential Properties in Sarawak

(Source: Rahim &amp; Co Research)

Development	Location	Type	No of Units	Selling Price	Expected Completion
Armada Residence @ Taman Daya	Kuching	Serviced apartment	141	From RM590,000	2023
Doncaster Residence	Kuching	Serviced apartment	216	From RM604,000	2023
Lumos Residence @ Taman Ridgeway	Kuching	Serviced apartment	72	From RM650,000	2023
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

“To encourage home ownership in the state, particularly for the B40 group, the State Planning Authority (SPA) had in 2022 approved 12 housing projects with a total of 1,209 in Tupong where 540 units of these are affordable houses under the People’s Special Housing Scheme (SPEKTRA) Lite, SPEKTRA Medium, PUTERA and Sri Pertiwi.”

at 13.6% share of the total landed stock of 238,610 units. The 2 to 3-storey terraced houses were more prevalent in Sarawak at 80,486 units as compared to single-storey terraced houses at 72,134 units. The state had almost an equal distribution of condominiums/apartments and low-cost houses at nearly 10% share of total residential stock. Serviced apartments and SOHO units were found only in Kuching at 1,042 and 157 units respectively and in Miri with 60 and 248 units respectively.

Sarawak’s overhang market had a total of 2,006 units in 1H2022, a decrease of 7.6% from 2021. A total of 1,044 units or 52.0% of overhang units were condominiums/apartments followed by single-storey terraced houses of 329 units or 16.4%. The unsold condominium/apartment units were mostly in Kuching and Bintulu districts, with 528 units and 380 units respectively. Most of the overhang condominiums/apartments were priced in the range of RM500,001 to RM600,000, followed by RM200,001 to RM300,000. As for the single-storey terraced houses, a huge number of them were priced between RM100,001 and RM200,000.

As at 1H2022, only 449 residential units were launched in Sarawak, with 2 to 3 storey terraced houses recorded at 51.2%. Within the first six months, these 2 to 3-storey terraced houses saw a 27.5% take-up rate and a majority of these units were priced at RM400,001 to RM600,000.

The residential market performance for Sarawak in 2022 has improved compared to the past few years with better transaction activities and more property launches observed. The market should see further improvements in the coming year but matters relating to affordability, job security and inflation will provide some concern moving forward.

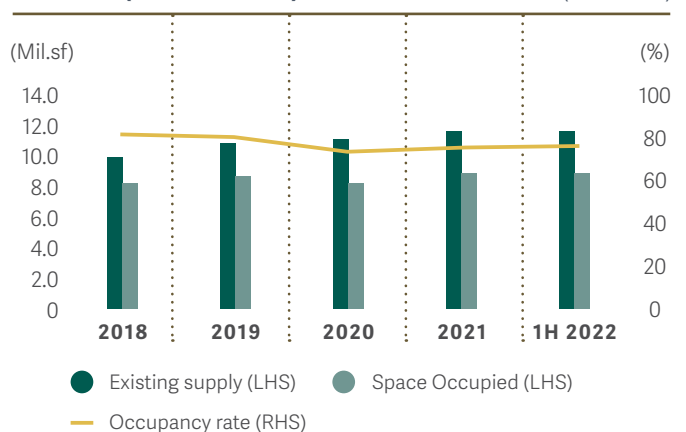
To encourage home ownership in the state, particularly for the B40 group, the State Planning Authority (SPA) had in 2022 approved 12 housing projects with a total of 1,209 in Tupong where 540 units of these are affordable houses under the People’s Special Housing Scheme (SPEKTRA) Lite, SPEKTRA Medium, PUTERA and Sri Pertiwi. To further assist the people of the state, the income eligibility requirement for the Sarawak Housing Rental Assistance Scheme (SRAS) introduced by the Housing Development Corporation (HDC) in 2021, has been raised to RM3,500 per month in September 2022 from the previous household income of not exceeding RM2,131 per month. This scheme offers rental assistance of RM200 per month for 3 years to tenants in Kuching, Sibu, Bintulu and Miri.

## Retail

The retail segment of Sarawak was stagnant in its existing supply movement after rising by 4.4% in 2021 to 11.67 million sf. The occupancy rate however had slightly increased to 76.3% in 1H2022 from 76.0% in 2021. This was an improvement from the pre-pandemic level where the occupancy rate dropped to 73.9% in 2020. Sarawak had a total of 79 retail complexes as at 1H2022 and 47 of them were in Kuching city, which constituted 60.2% of total retail complexes in the state.

### Existing Supply & Occupancy Rate of Retail Spaces in Sarawak (2018-1H 2022)

(Source: JPPH)





Shopping centers constituted 93.9% of the total retail space in Sarawak and the rest were hypermarkets. Kuching has 41 units of shopping centers and 6 units of hypermarkets, followed by Miri which had 10 units of shopping centers.

In the pipeline, there are 448,597 sf of new retail space within 2 new retail establishments in Sarawak, one in Bintulu and the other in Limbang.

## Purpose-Built Office

The purpose-built office sector of Sarawak witnessed no movement in its existing stock in 1H2022, keeping at 8.80 million sf since 2021. The occupancy rate in 1H2022, however, saw a marginal improvement to 90.9% from 90.6% in 2021. When there was an increase in supply in 2021 by 7.1% from 2020, the occupancy still went up in 2021 from 89.5% in 2020. The occupancy rates during the pre-pandemic period declined with the increasing supply of office space in Sarawak but kept above the 90% mark. The state's consistent occupancy rate can be explained by the fact that three-fifths of its PBO buildings were held by the government. Only 42 of the 119 buildings were privately owned. The first privately built Green Certified Building here is the 10-storey HSL Tower in Kuching, which was completed in 2020.

Kuching, being the capital town, had the highest number of PBOs at 71 units with 6.04 million sf followed by Miri, Sibul and Bintulu with 14, 12 and 7 buildings respectively. Kuching has another 3 PBOs in the pipeline with a total of 613,026 sf of lettable space where 2 of which are privately

owned. Meanwhile, two blocks of the former Shell office building in Lutong will be renovated to be taken over by Sarawak Skills Miri for its use beginning 2023.

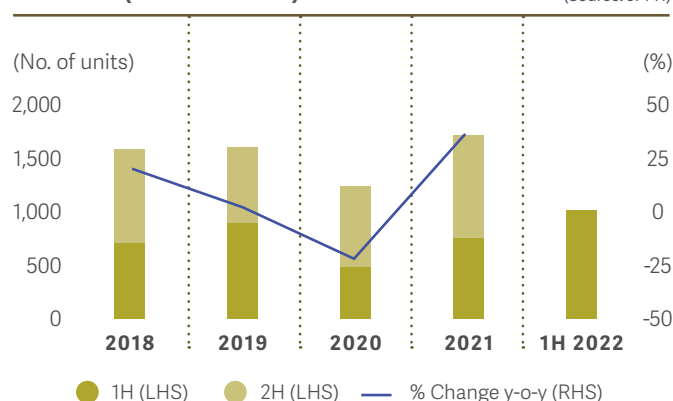
## Shop Office

The shop-office sector of Sarawak, having regained to the pre-pandemic level in 2021, continued the positive growth in 1H2022 with an increase of 32.7% in volume and 18.3% in value to 1,006 transacted units worth RM 478.59 million.

In terms of existing supply, shop offices increased by 0.8% to 37,151 units in 1H2022 from 36,868 units in 2021. By type, the largest existing stock was the 3 to 3½-storey units with 52.0% share, followed by 2 to 2½-storey units with 18.7% share. Kuching had the highest share of existing supply at 42.1% share and the next two were Miri and Sibul at 14.3% and 13.4% share respectively.

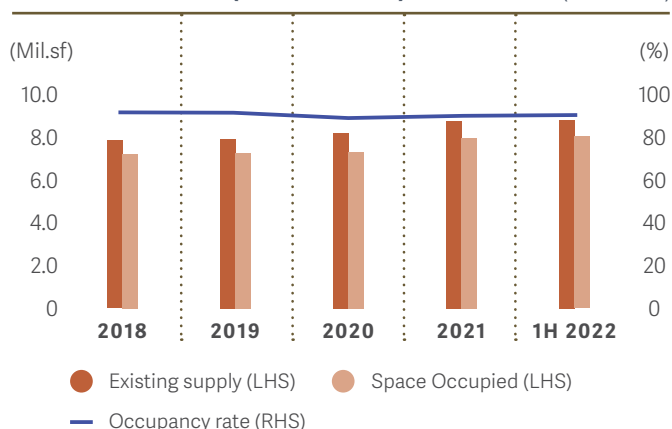
### Volume of Shop Office Property Transactions in Sarawak (2018-1H 2022)

(Source: JPPH)



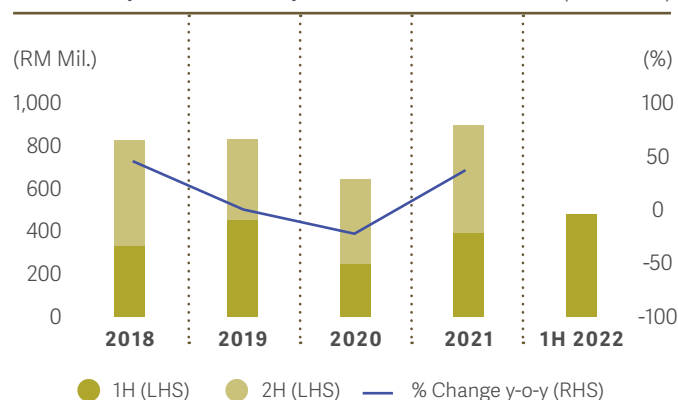
### Existing Supply & Occupancy Rate of Purpose Built Office in Sarawak (2018-1H 2022)

(Source: JPPH)



### Value of Shop Office Property Transactions in Sarawak (2018-1H 2022)

(Source: JPPH)



## Selected Upcoming Shop-office in Sarawak

(Source: Rahim &amp; 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

As at 1H2022, a total of 1,386 new shop office units were in the pipeline where 65.5% were of 2 to 2½-storey units and 11.8% of 3 to 3½-storey units. Similar to the existing supply pattern, the largest incoming supply is to go into Kuching at 44.3% and Miri will take in the next largest stock at 22.9% share.

The overhang numbers for Sarawak's shop offices increased to 929 units in 1H2022 from 745 units in 2021. The highest overhang was contributed by Bintulu at 305 units that highly consisted of 3 to 3½-storey shops and stratified shops at almost equal distribution. Kuching had 280 overhang units in which 215 are of 2 to 2½-storey units.

Pine Square Commercial Centre @ Eden Parade in Batu Kawa is a newly completed shop-office development in Kuching. It consists of 186 units of 3-storey shop offices and 80 units of 2-storey shop offices and a covered pedestrian mall to be developed in two phases. Phase 1 has 106 units of 3-storey shop offices and 48 units of 2-storey shop-offices. The prices of 3-storey shop offices starts from RM1,330,000 per unit.

## Hotel

The hotel sector of Sarawak saw a small growth of 1.4% in room supply, putting 1H2022's supply at 20,387 rooms across 383 hotel establishments. From these, 34 hotels with 3,995 rooms were 3-star rated, 15 hotels with 3,835 rooms were 4-star rated and 3 hotels with 913 rooms were classified as 5-star. From the total stock, a total of 370 hotels comprising 18,667 rooms were located in the city or town area. As at 1H2022, the state had 1 hotel in the pipeline that will inject an additional 318 rooms into the supply basket.

In an effort of boosting the tourism industry of Sarawak, a massive resort city development called Damai Resort City at Santubong was mooted by SEDC in 2021. The

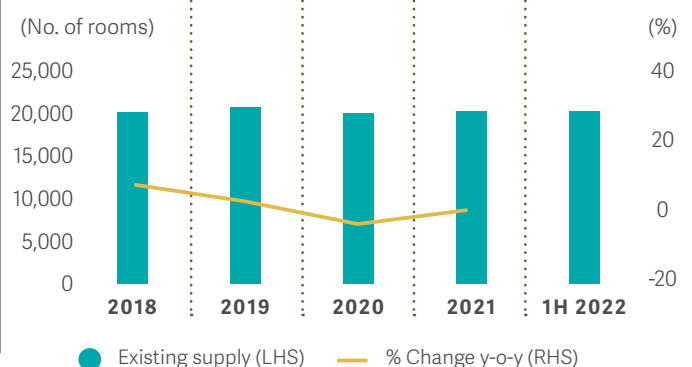
project is poised to become a new tourism destination in Sarawak where its masterplan study is currently being undertaken. Together with that, Kuching is set to have the newly refurbished Damai Lagoon Resort, formerly known as Damai Puri Resort and Spa, in 2023. Another hotel in Kuching, Riverside Majestic Hotel re-opened its doors in 2022, after undergoing refurbishment exercise for nearly two years.

Private enterprises are also encouraged by the Sarawak Economic Development Corporation (SEDC) to make investments in the state's hotel industry. UDA Holdings Berhad had unveiled plans to develop an integrated project named Neu Pendington via a joint venture with SEDC on a 12.6-acre site in Pending. The integrated development project with a gross development value of RM496 million includes two apartment blocks, stratified office-shops totaling 262 units as well as a 12-storey hotel with 200 rooms. The project is expected to be fully completed in 2029 where the first phase will be completed in 2026 and the second phase in 2027.

Along with building hotels in Kuching city, SEDC also has plans to construct small hotels in remote areas including Gedong, Marudi, Limbang and Lawas. SEDC is also planning to build more resort hotels in Sarawak to diversify its hotel business.

## Existing Supply of Hotels in Sarawak (2018-1H 2022)

(Source: JPPH)



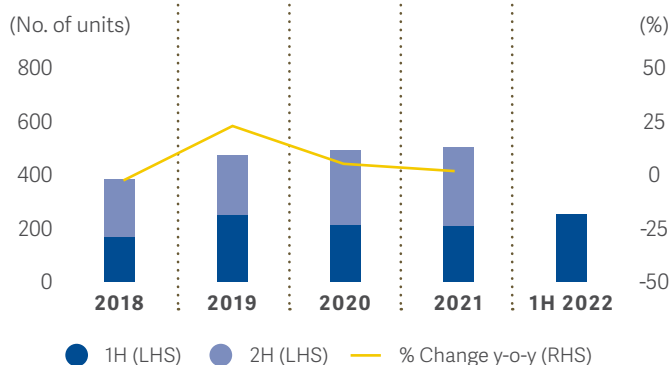
## Industrial

Sarawak's industrial sector in 1H2022 recorded 254 transactions worth RM206.12 million. Although it was a rise of 19.2% in volume, a marginal drop was observed in the total value by 0.1%. The state's industrial sector activity has yet to reach the pre-pandemic level. Semi-detached factories/warehouses were the most transacted with 134 units where almost half of them were within the range of RM200,001 to RM500,000. The second highest transacted category was vacant plots which had 49 parcels sold with 69.4% of it priced RM300,000 and below.

As at 1H2022, the cumulative supply of existing industrial properties in Sarawak stood at 7,327 units. Semi-detached industrial properties made up the largest portion with 66.1% share, followed by detached type at 16.6% share. As at 1H2022, a total of 320 units were the recorded incoming supply with more semi-detached industrial properties at 272 units and detached at 48 units.

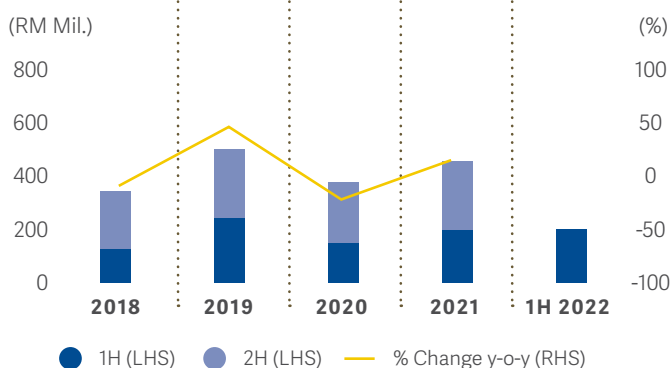
### Volume of Industrial Property Transactions in Sarawak (2018-1H 2022)

(Source: JPPH)



### Value of Industrial Property Transactions in Sarawak (2018-1H 2022)

(Source: JPPH)



The overhang figure for the state were at 318 units in 1H2022, a slight decrease from 320 units in 2021. The overhang was greater in Kuching at 245 units, with 190 units of terraced type. The majority of the overall overhang units were priced between RM300,001 and RM400,000 followed by those priced at RM1.01 million and above.

Two industrial parks are ongoing construction in Sibu namely Sibu Industrial Park designed for general industrial activities particularly SMEs, and Rantau Panjang Phase II Industrial Park dedicated to shipping industry activities. Phase 1 of Sibu Industrial Park is expected to be ready by early 2023. Another 100 acres of land forming part of Samalaju Industrial Park (SIP) in Bintulu has been dedicated for SMEs and this portion is slated for completion in 2023 as well. The state government has committed to continue upgrading the infrastructures in SIP to draw in more investments.

The Regional Corridor Development Authority (RECODA) had in mid-2022 announced its plans to review the need to develop the Matadeng Industrial Park project as an effort to boost industrial activities in Mukah.

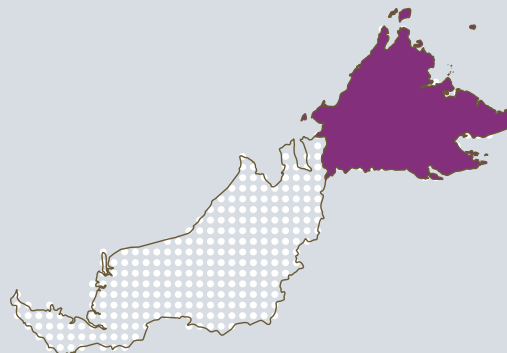
## Notable Announcements

- It was announced in July 2022 that the Autonomous Rapid Transit (ART) in Kuching would commence its construction in September 2022. This infrastructure project by Sarawak Economic Development Corporation (SEDC) via Sarawak Metro is expected to be operational by end-2025. Its alignment map was later unveiled in August outlining three rail lines with 30 plus stations along its 70-km route coverage.
- As at September 2022, Phase 1 of Sarawak's Pan Borneo Highway had attained 86.5% completion. Phase 1 is a 786km stretch from Telok Melano to the south and Miri to the north.
- Phase 2 of the Sarawak-Sabah Link Road (SSLR) was approved by the Federal Government in July 2022 and is soon to commence construction in early 2023. The SSLR project is a 403km road from Mulu in Sarawak to Kampung Gelugos in Sabah, connecting these two states without passing through Brunei. It is expected to be ready within the next 3 to 5 years.

# Sabah Negeri Di Bawah Bayu



Kota Kinabalu City Mosque



Capital: Kota Kinabalu

Est. Population: 3,390,900

Area (km<sup>2</sup>): 73,904

(Source: DOSM)

## Key Facts (as at 1H 2022)

### Residential

Supply	234,542 units	↑ 3.2% y-o-y
Transaction Volume	2,879 units	↑ 29.3% y-o-y
Transaction Value	RM1,127.51 mil.	↑ 24.5% y-o-y

### Retail

Supply	8.09 mil. sf	↓ 1.2% y-o-y
Occupancy Rate	75.6%	↓ 2.3% y-o-y
Rental	Prime: RM2.00psf – RM18.20psf	

### Purpose-Built Office

Supply	8.89 mil. sf	↓ 0.2% y-o-y
Occupancy Rate	87.6%	↓ 0.2% y-o-y
Rental	Prime area: RM1.50psf- RM4.30psf	

### Shop Office

Supply	30,249 units	↑ 0.2% y-o-y
Transaction Volume	307 units	↑ 29.0% y-o-y
Transaction Value	RM182.05 mil.	↑ 15.7% y-o-y

### Hotel

Existing Supply	23,166 rooms	↑ 1.6% y-o-y
Incoming Supply	2,062 rooms	

### Industrial

Supply	6,294 units	↑ 1.3% y-o-y
Transaction Volume	173 units	↑ 88.0% y-o-y
Transaction Value	RM285.47 mil.	↑ 31.5% y-o-y

(Source: Rahim & Co Research, JPPH)

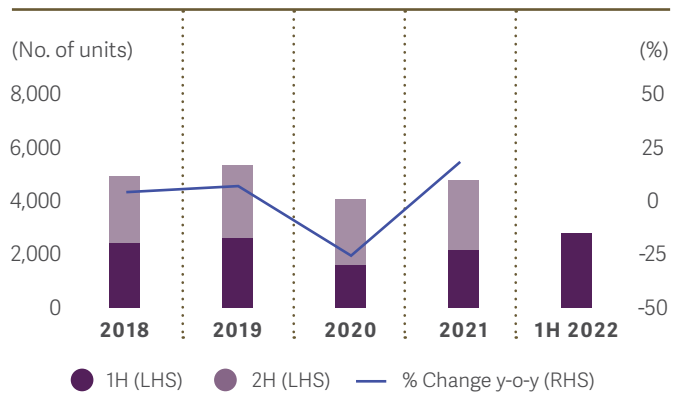


## Residential

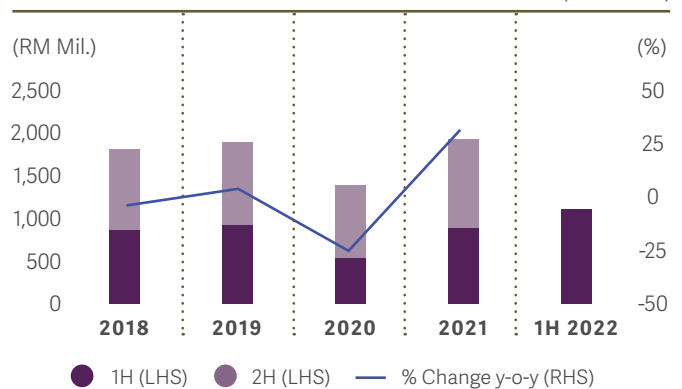
Sabah's residential sector improved significantly in 1H2022 by registering a 29.3% and 24.5% hike in volume and value of transactions respectively from the corresponding period in the previous year. It was an increase to 2,879 units worth RM1,127.51 million in 1H2022 from 2,226 units valued at RM905.98 million in 1H2021. With that, the transaction market has reached the pre-pandemic level where in 1H2019 there were 2,681 transactions recorded worth RM935.72 million. Two to three-storey terraced houses made up the most transactions at 829 units sold with most of them priced in the range of RM200,001 to RM300,000. The second highest transacted category was condominiums/apartments which had 748 units sold worth RM245.46 million. On a different note, there were 6 serviced apartments worth RM2.66 million and 2 SOHO units worth RM2.61 million transacted according to NAPIC's statistics.

As at 1H2022, the supply of existing residential properties in Sabah stood at 234,542 units, a rise by 3.2% from 1H2021. Condominiums/apartments formed a 25.4% share. While landed homes dominated the overall supply, 2 to 3-storey terraced houses accounted for 23.8% of the state's residential stock. Serviced apartments and SOHO units were more limited with 1,697 and 467 units respectively

**Volume of Residential Property Transactions in Sabah (2018-1H 2022)**  
(Source: JPPH)

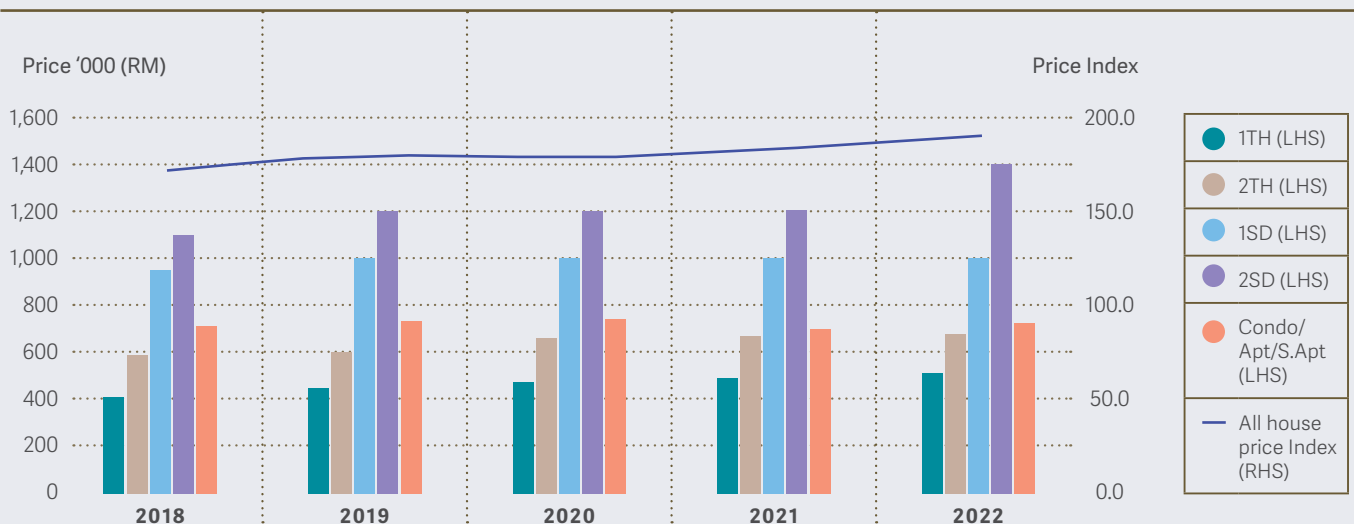


**Value of Residential Property Transactions in Sabah (2018-1H 2022)**  
(Source: JPPH)



**Kota Kinabalu Residential Property Price Trend & House Price Index (2018-2022)**

(Source: Rahim & Co Research, IHRM)



### Selected Upcoming Landed Residential Properties in Sabah

(Source: Rahim &amp; 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
	Kolombong	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

### Selected Upcoming High-Rise Residential Properties in Sabah

(Source: Rahim &amp; 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



Kota Kinabalu

in Kota Kinabalu and 216 SOHO units in Sandakan. As at 1H2022, Sabah was expecting to receive 20,207 incoming residential units in the next 3 years plus 1,549 and 508 serviced apartments in Kota Kinabalu and Penampang.

There were 2,932 overhang units in Sabah, just down by 1 unit compared to 2021. About 81.8% of overhang units were condominiums/apartments followed by 2 to 3-storey terraced houses with a 13.8% share. The unsold condominium/apartment units were mainly in the districts of Kota Kinabalu and Semporna, with 982 units and 669 units respectively. A total of 766 unsold condominiums / apartments were within the price range of RM200,001 to RM300,000.

As at 1H2022, only 1,335 residential units were newly launched in Sabah, with condominiums/apartments recorded at 53.9% share. These newly launched condominiums/apartments were mainly priced between RM300,001 and RM500,000.

The residential property activities are expected to continue its growth gradually in 2023, despite the challenges in securing bank loans. Even so, the affordability factor will continue to be a top priority in homebuyers' minds. Moving forward, landed residential properties and high-rise apartments in the affordable price range as well as high-end niche developments will continue to be the main focus in the secondary market. In selected districts like Tawau, medium-cost residential units are much sought after compared to others as the demand here is dominated by the middle-income group. The government's policies and stability, and the financial institution policies especially on the interest rates, are going to influence the direction of the property market.

**“Moving forward, landed residential properties and high-rise apartments in the affordable price range as well as high-end niche developments will continue to be the main focus in the secondary market.”**

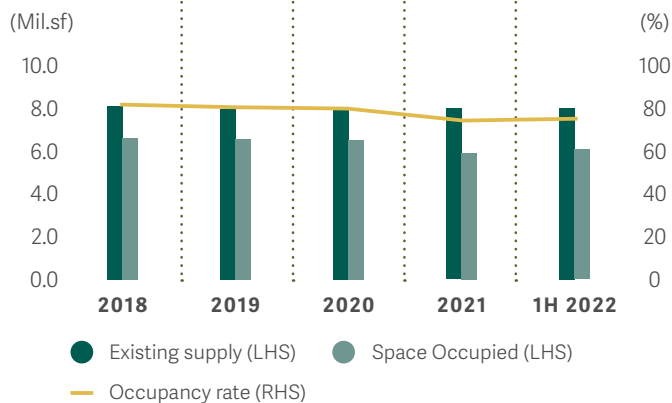
Rumah Mesra SMJ (Sabah Maju Jaya), which adopts the Hardcore Poor Housing Project (PPRT) concept was launched by the state's Chief Minister in September 2022. This serves as an initiative to prioritise homeownership for the state, especially for those under the poverty line. To be developed in 73 constituencies, the houses under this scheme will cost RM70,000 per unit.

## Retail

The retail sector of Sabah saw minimal growth in existing supply after a decrease in 2021. The occupancy rate in Sabah which sustained above 80% during the pre-pandemic years, declined to 79.3% in 2020 and further to 73.8% in 2021. However, the occupancy rate regained to 75.6% in 1H2022. Sabah had a total of 51 retail complexes, with 8.09 million sf of space as at 1H 2022. Kota Kinabalu, the capital city, accounts for 72.1% of total retail space at 5.83 million sf of space spread across 26 buildings.

### Existing Supply & Occupancy Rate of Retail Spaces in Sabah (2018-1H 2022)

(Source: JPPH)



In terms of retail type in Sabah, the majority of them were shopping centers with 7.34 million sf of space. Kota Kinabalu accounts for the big bulk of this space at 75.9% share, followed by Tawau at only 3.55% within its 6 shopping centers. Kota Kinabalu has 5 arcades and 1 hypermarket and is expecting one retail complex with 384,734 sf of space in the near future.

Sabah will be expecting the Valley Cove Mall with 880,000 sf of retail space in 2026. This retail mall is a component of The Cove's integrated development in Tanjung Lipat.

## Purpose-Built Office

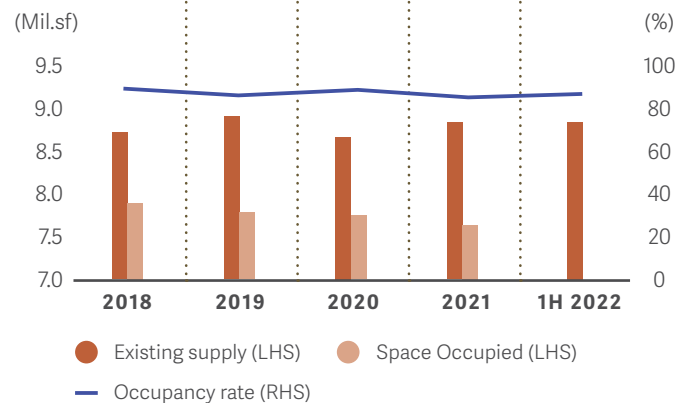
As at 1H2022, the existing supply of purpose-built office (PBO) space in Sabah stood at 8.89 million sf, with an increment of 0.42% from 2021. Average occupancy rates of PBOs here improved marginally to 87.6% in 1H2022 from 86.5% in 2021, despite a small addition in space by less than 40,000 sf. Withdrawals of about 250,000 sf of space in 2020, had pushed up the occupancy to 89.5% in the same year.

About 67.7% of the state's PBO supply was made up of privately owned offices. The majority of the state's PBO space was concentrated in Kota Kinabalu, with a combined 7.65 million sf in 70 buildings, followed by Sandakan with 0.58 million sf within its 16 office buildings.

Menara LPPS, a 29-storey office tower forming part of The Cove integrated development in Tanjung Lipat, is expected to enter the office market of Sabah in 2026. Having a net lettable area of 183,390 sf, it would become the new headquarters of Sabah Ports Authority (LPPS) once completed.

### Existing Supply & Occupancy Rate of Purpose-Built Office in Sabah (2018-1H 2022)

(Source: JPPH)



## Shop Office

The shop-office market of Sabah was regaining momentum since its fall in 2020. In 1H2022, 307 transactions were registered worth RM182.05 million equivalent to a rise of 29.0% in volume and 15.7% in value. Although the transaction activity was showing a rebound, the total value of transactions was observed to still be a little behind.

The existing stock of Sabah stood at 32,603 units in 1H2022, an increase of 1.4% from 1H2021. Undeniably, Kota Kinabalu had the largest number of shop offices at 10,050 units, making up 30.8% of the total supply. Districts of Penampang and Sandakan had an almost equal distribution of shop-offices supply at 12.5% each. The 2 to 2½-storey shop-offices were the majority across the state with a 40.5% share or 13,203 units.

As at 1H2022, the incoming supply of shop-offices in Sabah accounted for 2,163 units. The largest amount of the incoming supply would go into Papar District at 15.7% and Lahad Datu at 15.2% share respectively. The highest proportion of incoming supply recorded was from the 2 to 2½-storey shop offices at 40.3% share, followed by the 3 to 3½ storey shops with a 33.0% share.

The overhang picture for Sabah's shop-office segment increased to 688 units in 1H2022 from 602 units in 2021. The major overhang type was the 2 to 2½-storey shops at 40.6% share, followed by stratified shops at 35.8% share. The large overhang was from Kota Kinabalu at 194 units with 143 of them being stratified offices. Even with a substantial amount of overhang in the stratified types, another 1,282 units in the incoming supply may potentially add pressure to the overhang numbers.



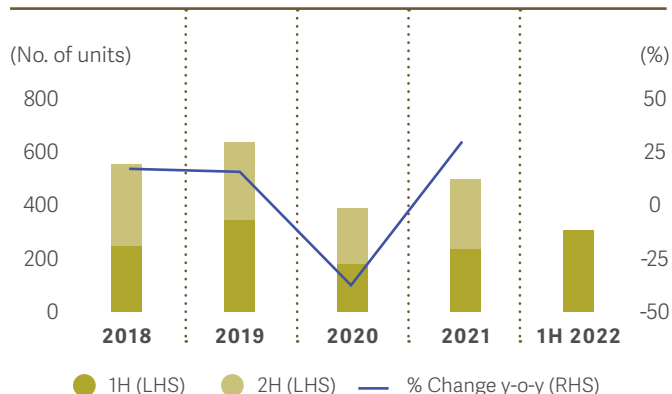
## Selected Upcoming Shop-office in Sabah

(Source: Rahim &amp; 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 RM1,320,000	2024

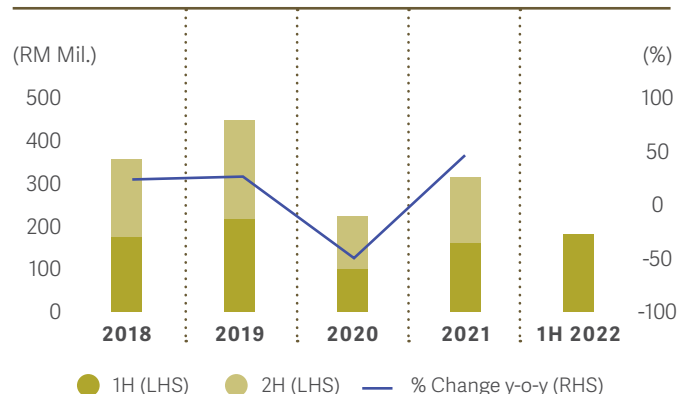
## Volume of Shop Office Property Transactions in Sabah (2018-1H 2022)

(Source: JPPH)



## Value of Shop Office Property Transactions in Sabah (2018-1H 2022)

(Source: JPPH)



## Hotel

As at 1H2022, Sabah's hotel room supply stood at 23,166 rooms, an increase of 1.6% from 1H2021. Out of 413 hotels in 1H2022, 44 hotels with 4,298 rooms were 3-star rated. Another 10 hotels with 3,819 rooms were 5-star rated whilst 15 hotels with 3,064 rooms were 4-star rated.

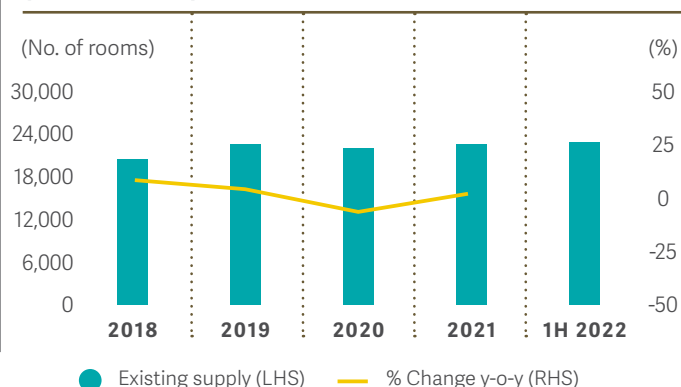
Sabah has always been famous for its rich natural landscape and cultural diversity that drive the tourism industry. The state is well-known for its beaches, forests, coral reefs and some of the world's top diving destinations, such as the Sipadan and Mabul Islands. Despite being a coastal, island and inland tourism prominent state, a large portion of hotel rooms here, or 79.2% were located in the city or town, due to the proximity of Kota Kinabalu city to the coastline. Hotels on the beach-front made up 12.3% of the total rooms share in Sabah and the hillside hotels made up 4.3% of it. Most of the hillside hotels are located in areas near Mount Kinabalu and Kundasang.

One of the hotels that were completed in 2022 was Hyatt Centric Kota Kinabalu, a 222-room hotel by Hyatt Hotels Corporation in collaboration with Hap Seng Consolidated Berhad. The LUMA Hotel in Sutera Avenue with 115-room was also opened for business in January 2022. As at 1H2022, the state was projected to have another 8 hotels with 2,062 rooms in the pipeline.

Citadines Waterfront Kinabalu is one of the hotels in the pipeline for Sabah and is expected to be ready in 2023. Other hotels to come in 2023 would be Avani Hotels & Resorts, a 378-room in Kota Kinabalu and The Crowne Plaza brand in Kota Kinabalu with its 367-room hotel.

## Existing Supply of Hotels in Sabah (2018-1H 2022)

(Source: JPPH)



Under construction as at 2022, Club Med Borneo Kota Kinabalu, the 400-room beach resort is expected to be completed by 2024.

## Industrial

Sabah's industrial sector in 1H2022 recorded 173 transactions worth RM285.47 million, an increase of 88.0% in volume with a lower percentage growth of 31.5% in value from 1H2021. The transaction activity in 1H2022 also exceeded the pre-pandemic year numbers of 127 transactions worth RM193.31 million in 1H2019.

The terraced factory/warehouse with the most transaction at 104 units, were largely priced at a range of RM400,001 to RM500,000. The second highest transacted category was semi-detached factory/warehouse which had 33 units sold and detached factory/warehouse was third with 22 units. Vacant plots were minimal at 10 units but were mainly priced at RM1 million and above.

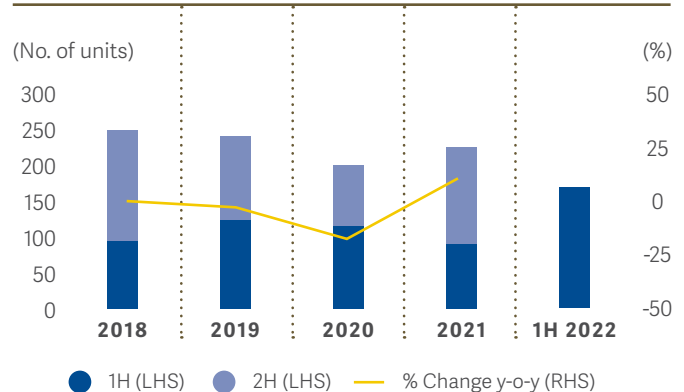
As at 1H2022, the cumulative supply of existing industrial properties in Sabah stood at 6,294 units, a rise of 1.3% from 1H2021. The terraced type formed the largest share of 67.6% and was followed by semi-detached at 21.1% share. A big bulk of these existing stocks were in Kota Kinabalu at 33.8% share whilst Tawau had the next highest share at 22.2%. A total of 239 units of incoming supply due to come in with 152 units of terraced, 76 units of semi-detached and 11 units of detached properties. A total of 41.8% of this incoming supply would be going into Lahad Datu and 31.4% into Kota Kinabalu.

Kiara Business Park at Sepanggar and The Gallery@Kolombong in Inanam are the two incoming industrial projects in Sabah that are slated for completion in

**“Sabah's industrial sector in 1H2022, recorded 173 transactions worth RM285.47 million, an increase of 88.0% in volume with a lower percentage growth of 31.5% in value from 1H2021.”**

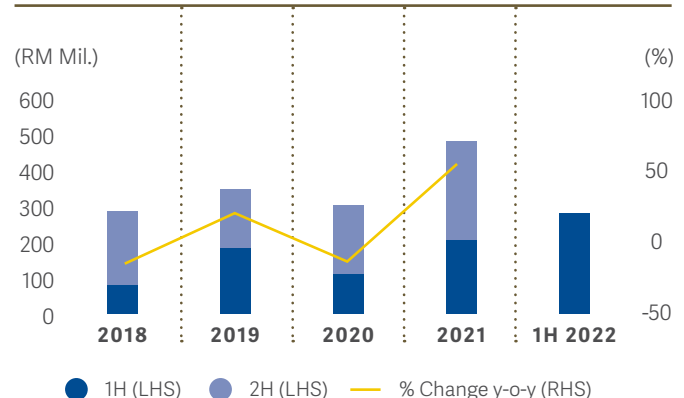
### Volume of Industrial Property Transactions in Sabah (2018-1H 2022)

(Source: JPPH)



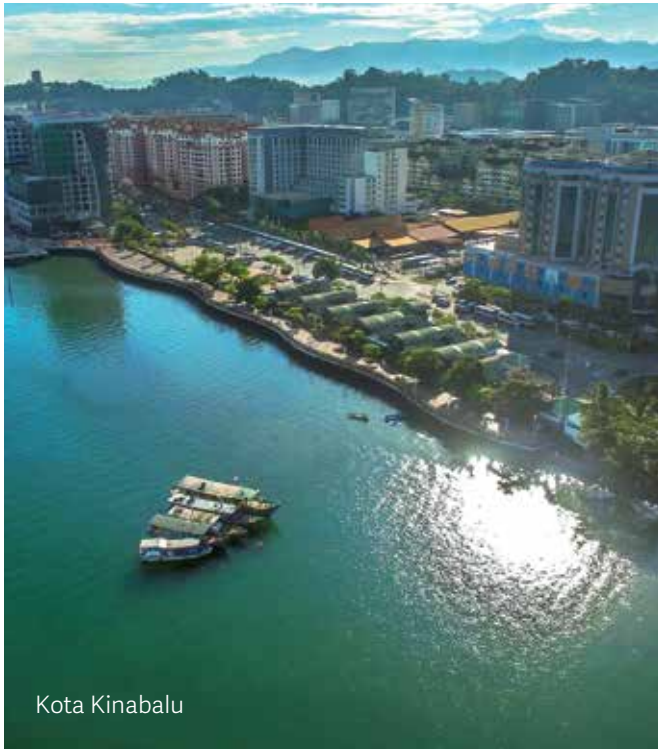
### Value of Industrial Property Transactions in Sabah (2018-1H 2022)

(Source: JPPH)



2025. The former comprises 44 units of a 2-storey semi-detached warehouse priced at RM3.5 million and above. The latter is 37 units of 3 & 4-storey terraced factory/warehouse priced from RM3.4 million.

The overhang figures for the state were at 22 units in 1H2022 down from 57 units in 2021. The overhang units were only from Keningau and Kota Kinabalu districts. Keningau had more share at 16 units and all of them were priced between RM700,001 and RM800,000 whilst those in Kota Kinabalu were priced at RM1 million and above. As such, the overhang situation for the industrial segment of Sabah is not at a worrying level. Coupled with the low number of incoming supply and increasing transaction activities, a steadily growing industrial sector could be seen for Sabah.



The state government of Sabah had in August 2022 formed a task force under the Sabah Industrial Development Ministry to expedite the approval processes of manufacturing-related projects. This was done to bring in more local and foreign investment to boost the industrial sector of the state. Sabah received RM9.9 billion worth of approved investments in 1H2022, making it the third top state to receive the largest investment during the period.

## Notable Announcements

- In January 2022, an MoU between Yayasan Sabah and Pavilion Kota Kinabalu Sdn Bhd was signed for the development of Pavilion Harbour City. The project would span across 30 acres of reclaimed land over the next 10 years. It would encompass a luxury hotel, residential and restaurants alongside other components to be affirmed.
- Sabah Maju Jaya Renewable Energy Industrial Complex (SMJREIC) was launched in February 2022. SMJREIC is to be constructed on a 10-hectare site at the Teluk Sepanggar Container Port and is slated for completion by 2025.
- The Sabah Oil and Gas Development Corporation (SOGDC) had in July 2022, inked 2 sub-lease agreements and eight MoUs with investors to develop oil and gas-related businesses in the Sipitang Oil and Gas Industrial Park (SOGIP). The total investment value summed up to RM19.8 billion.
- As at September 2022, Sabah's portion of the Pan Borneo Highway was 65% completed. Out of the 35 packages, 3 packages of Phase 1 are expected to be fully completed by end of 2022. Phase 1 is a 706-km stretch from Sindumin to Kota Kinabalu, then onwards to Kudat as well as Tawau to Batu 32 Sandakan to Ranau. The full Pan Borneo Highway together with Sarawak's portion is targeted to be ready by 2028.
- An announcement was made in August 2022 on the masterplan revision exercise of the Tanjung Aru Eco Development (TAED) project to be more people-centric. The originally approved masterplan had demarcated a 340-hectare land to be built with seven hotels having 1,800 rooms, 5,000 apartment and condominium units, marinas, entertainment venues and a 133-hectare golf course. The revised master plan is expected to be approved in late 2023.

# Glossary

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

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

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



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