

# PROPERTY MARKET HIGHLIGHTS 2024 / 2025

Prepared by

Corporate Advisory Division

**Raine & Horne International Zaki + Partners Sdn Bhd**

Research Department

## INTRODUCTION

With the evolving landscape of the Malaysian real estate market, **Raine & Horne International Zaki + Partners Sdn Bhd** is excited to bring you the latest edition of our Property Market Highlights. This in-depth report offers an exclusive look at the most important trends, performance insights, and emerging opportunities across Malaysia's dynamic property sector.

In this edition, we dive into the latest market movements, explore shifts in demand and supply, and uncover how economic, regulatory, and social changes are reshaping the real estate environment. Whether you are an investor seeking the next big opportunity, a developer looking for the latest trends, or a homebuyer navigating your options, our analysis is designed to empower you with the data and insights needed to make confident, informed decisions.

From residential, commercial, and industrial properties to hot new developments and investment hotspots, we bring to you the market trends and commentaries that will help you stay ahead of the competition in this fast-paced market.

Do not miss out – stay tuned as we unpack the key developments and provide a forward-looking outlook for the months to come.



## COMPANY OVERVIEW

Founded in 1982, **Raine & Horne International Zaki + Partners Sdn. Bhd.** is one of the leading firms of Chartered Surveyors and Registered Valuers, offering a comprehensive suite of services including property valuation, market research, project management, property management, real estate agency, and corporate advisory in property consultancy.

With a strong national presence, the firm operates eleven offices across Malaysia, spanning key cities from Kuala Lumpur and Penang to Kota Kinabalu and Kuching, demonstrating its deep commitment to serving clients throughout the region.

As part of the globally renowned **Raine & Horne** network, founded in 1883, we extend our reach to major cities worldwide, including those in Southeast Asia, Europe, North America, Australia, and beyond. This international network reinforces our ability to deliver world-class property solutions with a local touch.

We at **Raine & Horne International Zaki + Partners Sdn. Bhd.** aims to provide our clients with quality professional services as well as committed to the Quality Management System required by ISO 9001:2015 Standards.



## COMPANY OVERVIEW

### OUR PRESENCE



#### Peninsular Branches:

##### ☐ Klang Valley Branches:

- Kuala Lumpur (HQ)
- Petaling Jaya
- Subang Jaya
- Klang

- ☐ Georgetown, Penang
- ☐ Ipoh, Perak
- ☐ Seremban, N. Sembilan
- ☐ Kuantan, Pahang
- ☐ Johor Bahru, Johor

#### Borneo Branches:

- ☐ Kuching, Sarawak
- ☐ Kota Kinabalu, Sabah



# **EXECUTIVE SUMMARY**

**NATIONAL ECONOMIC  
PERFORMANCE**

## EXECUTIVE SUMMARY

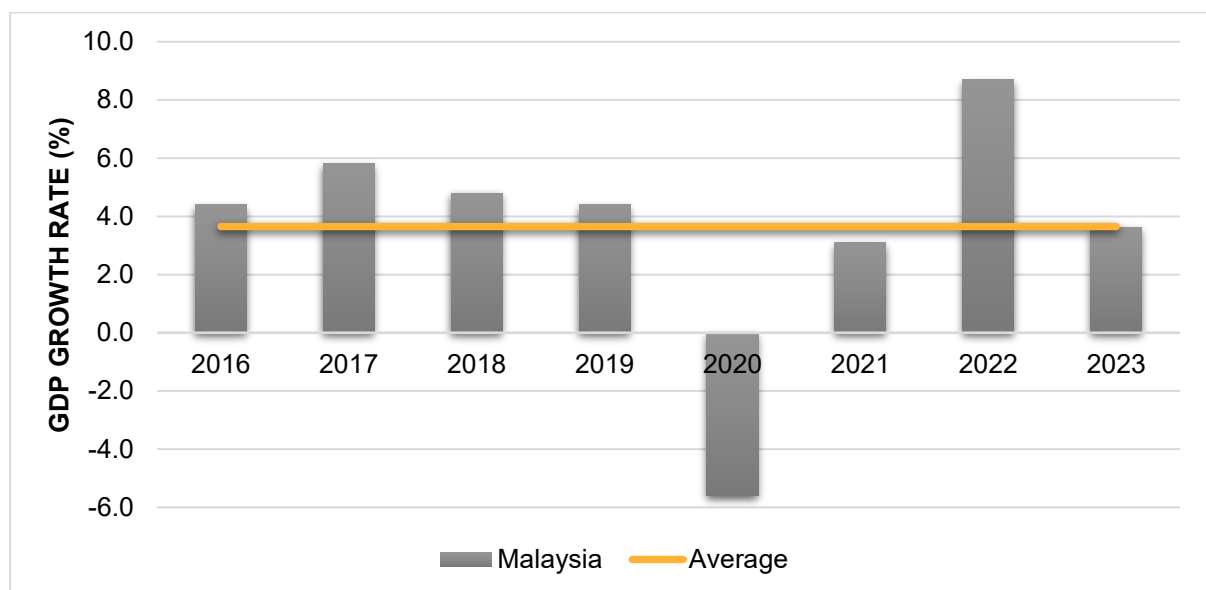
### NATIONAL ECONOMIC PERFORMANCE

Malaysia's economy showed remarkable performance despite experiencing challenges during the global pandemic situation. The post-covid positive economic momentum has boosted more investment confidence and portrays steady recovery from all economic sectors that drive major economic activities.

The encouragement from the Malaysian government for global investment as well as expansion of export activities has helped the nation in improving employment opportunities and slowly moving towards income growth community.

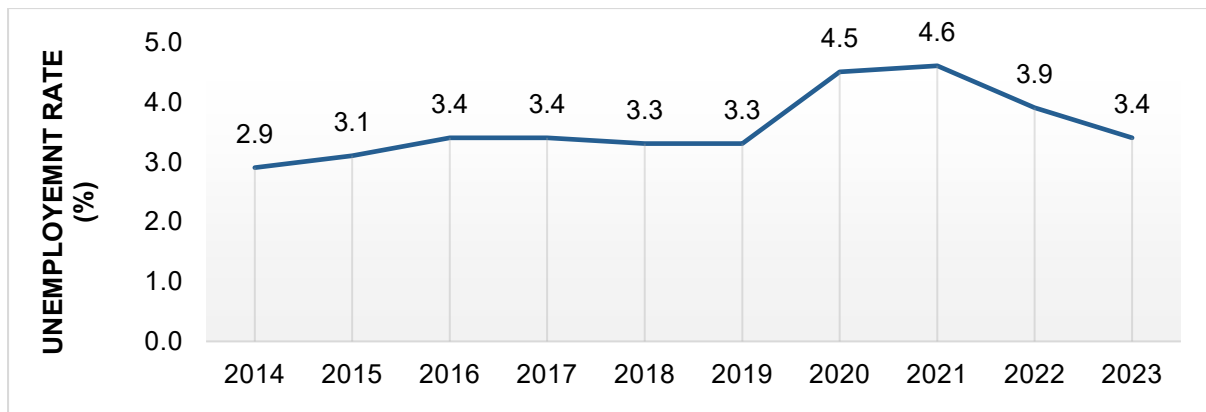
Simultaneously, the Central Bank prosecuted excellent decision by carefully assessing the interest rate charged and maintaining the Overnight Policy Rate (OPR) at 3.0% throughout 2024, effectively managing public spending behaviour.

#### Malaysian Gross Domestic Product (GDP) Growth Rate, 2016 – 2023



(Source: DOSM, RHIZP Research)

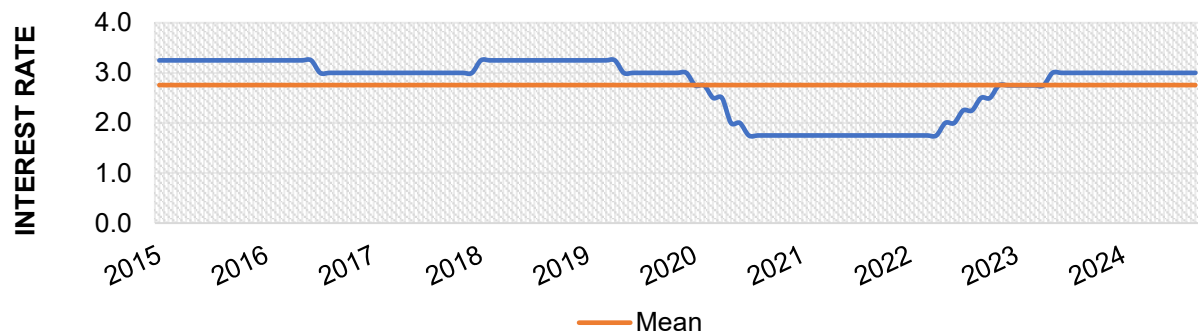
Malaysia's gross domestic product (GDP) reached its highest growth at 8.7% in 2022 and continued the expansion by 3.6% in 2023. The economy recorded contraction by 5.6% in 2020. Meanwhile, during the first half (H1) of 2024, Malaysia's GDP recorded strong performance as compared to the previous review period (4.2%).

**Malaysian Unemployment Rate, 2014 – 2023**

(Source: DOSM, RHIZP Research)

Unemployment rate in Malaysia fluctuated over the past 10 years and saw enhancement at 3.4% in 2023, which is lower than the average reading of approximately 3.6%. This shows that Malaysia's unemployment rate is relatively low and stable driven by the result of the improvement of national economic and expansion of businesses.

However, the government still encourages businesses and companies to offer more vacancies to stimulate the employment activity within the country.

**Overnight Policy Rate (OPR), 2015 – 2024**

(Source: DOSM, RHIZP Research)

Meanwhile, Bank Negara shifted its overnight policy rate (OPR) in May 2023 at 3.0%, and that has remained unchanged throughout 2024. The OPR reached its lowest point of 1.75% from July 2020 until April 2022, with average rate since 2015 standing at 2.76%.



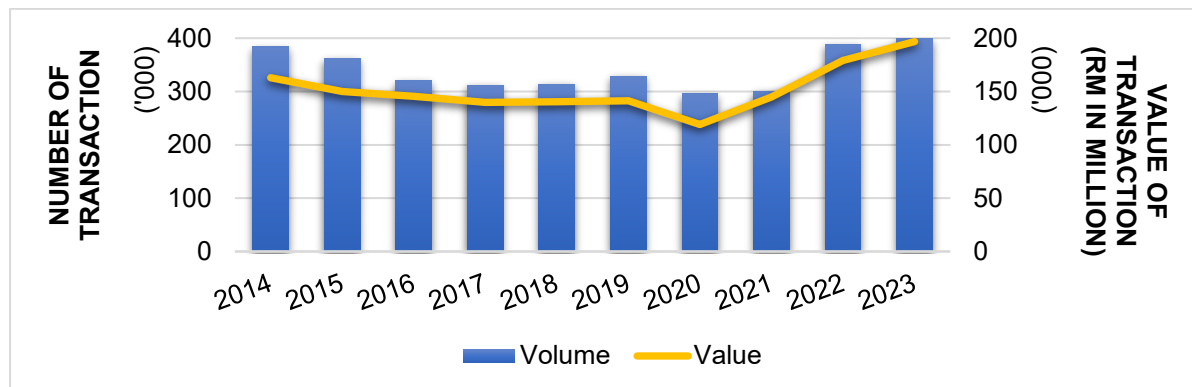
## **EXECUTIVE SUMMARY**

### **PROPERTY MARKET TRENDS**

## EXECUTIVE SUMMARY

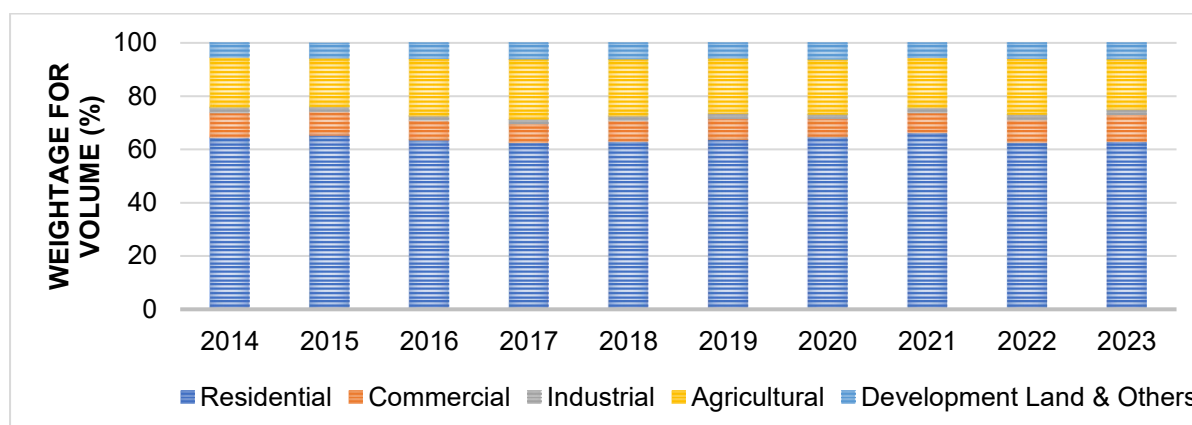
### PROPERTY MARKET TRENDS

#### Malaysia Property Market Trends, 2014–2023



(Source: NAPIC, RHIZP Research)

#### Property Transactions by Sector, 2014 – 2023



(Source: NAPIC, RHIZP Research)

Property market encountered constant falls throughout 2015 - 2017 and started to recover in 2018 before experiencing a sudden drop in year 2020 due to the global pandemic. Despite this setback, the property market continued to grow positively for the past three consecutive years since 2021. There were 399,008 transactions worth RM196.83 billion in 2023, recording growths of 2.5% in volume and 9.9% in value compared to the previous year. This indicates that the property market is gradually adjusting to the changing market landscape, aligning with improving economic conditions, and has now surpassed its pre-pandemic performance.

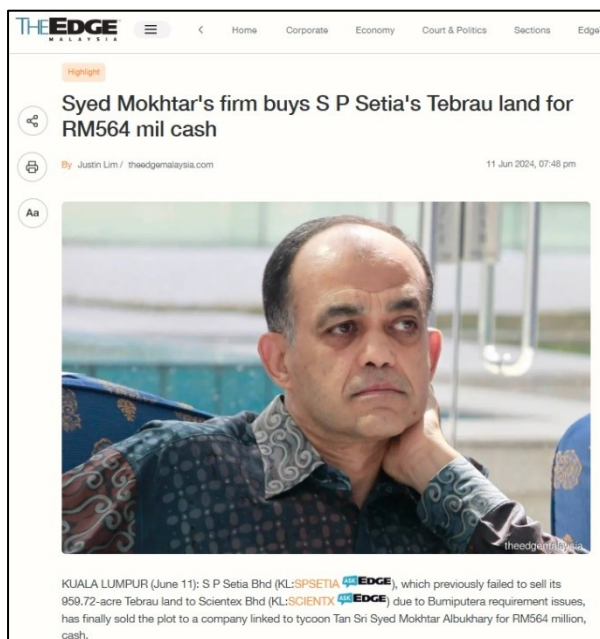
Residential market remained as the most transacted property activity with an average 10-year value of 63.8%, followed by agricultural market and commercial market. In overall, the performance of transaction volume by sectors in Malaysia remained stable throughout the past 10 years.

## MALAYSIA MARKET OVERVIEW

### MAJOR LAND TRANSACTIONS

There were few of major land transactions in 2024, with most intended for the development of commercial and residential townships. The highest number of major land transactions was recorded in Johor.

One notable land transaction occurred on June 2024 in Tebrau, Johor, where a land size of 388-hectare plot was sold for RM 564 million. The sale and purchase agreement, signed between Tan Sri Syed Mokhtar Albukhary, representing his company Senibong Island Sdn Bhd (SISB) as the buyer, and SP Setia Bhd as the seller. In May 2024, another transaction involving 346 hectares of land located in Kuala Muda, Kedah, was recorded, with a transaction price of RM 149 million. Lagenda Properties Bhd acquired the land from Hock Lean Rubber Estate Sdn Bhd for the development of an affordable housing township, with the gross development value yet to be determined. Meanwhile, no major land transactions were recorded in the East Coast region and East Malaysia for the year 2024.



(Source: News Compilation, RHIZP Research)

**Notable Major Land Transactions, 2023 – 2024**

Location	Seller	Buyer	Date of Transactions	Land Size (Hectare)	Consideration (RM)
Semenyih, Selangor	Mah Sing Group Berhad	Petaling Garden Sdn Bhd	June 2023	202.34	392,040,000
Samarahan, Sarawak	Naim Holdings Bhd	Onlyee Flora Sdn Bhd	July 2024	180.8	223,380,000
Tebrau, Johor	SP Setia Bhd	Senibong Island Sdn Bhd	June 2024	388.38	564,000,000
Pulai, Johor	Lee Pineapple Company (Pte) Ltd	Scientex Quatari Sdn Bhd	June 2024	141.74	381,430,000
Iskandar Malaysia, Johor	Eco World Development Group Bhd	Microsoft Payments (Malaysia) Sdn Bhd	June 2024	49.83	402,300,000
Bukit Jawi, Pulau Pinang	Land Capacity Sdn Bhd	Scientex Bhd	May 2024	286.72	462,500,000
Kuala Muda, Kedah	Hock Lean Rubber Estate Sdn Bhd	Lagenda Properties Bhd	May 2024	346.01	148,980,000
Pulai, Johor	River Retreat Sdn Bhd (RRSB)	Eco World Development Group Bhd	Jan 2024	163.4	450,130,000

(Source: News Compilation, RHIZP Research)

**Notable Development Pipeline in 2024**

Location	Land Size (Ha)	Master Developers	Development Proposal	Remarks
Kerian Integrated Green Industrial Park (KIGIP)	404.69	Sime Darby Plantation Bhd & PNB	Solar Farm	-KIGIP was announced by the government in Budget 2024 -designed to attract semiconductors and E&E investments,
QUANTUM Edge Business Park	163.09	Eco World Development Group Bhd	Industrial Park	-Largest digital and high-tech hubs by a private developer in Malaysia -anchored by Microsoft
Bandar Casia Technology Park; Batu Kawan Industrial Park 3 (BKIP3); & Penang Science Park South	476.8	Penang Development Corporation (PDC)	Industrial Park	-Total investment cost of RM3.2 billion -These industrial parks in South Seberang Perai, which began to be developed in 2022, are expected to be fully completed in 2031
Mah Sing Business Park, Sepang	74.9	Mah Sing Group Bhd	Prime Industrial Development	-Estimated GDV of RM728 million -Expected to commence in the second half of 2024 and to be developed over a span of three to four years
Proton City, Tanjong Malim, Perak	Total : 454.9	PGF Capital Berhad	Integrated Township Development	-GDV : RM 3 billion -Work expand 10-15 years Development Components: Residential & commercial units (161.87 Ha), Agriculture plantations, (99.27 Ha), Aquaculture activities (21.61 Ha), Eco-tourism (119.58 Ha), Eco-retreat (23.55 Ha), & Lifestyle communities (29.02 Ha)

(Source: News Compilation, RHIZP Research)

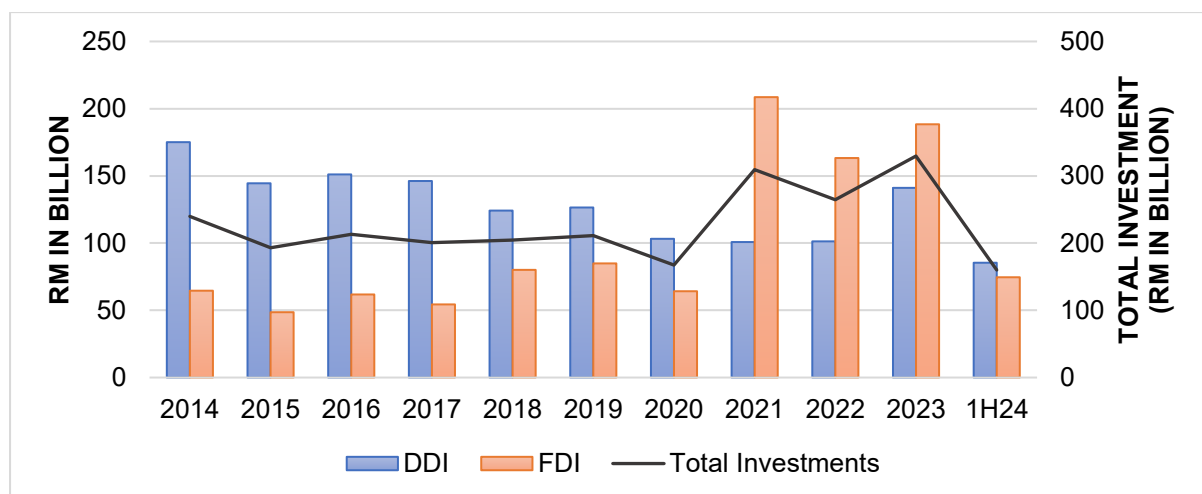
# MALAYSIA MARKET OVERVIEW

## NOTABALE FDI / INVESTMENTS IN MALAYSIA

**F**oreign investment flowing into Malaysia is driving up demand for property, particularly in key investment hubs like Johor and Selangor. This surge in demand fuels competition, pushing property prices higher and prompting improvements in essential infrastructure like roads and utilities. These upgrades, alongside large-scale investments, create thousands of jobs, increase disposable income, and boost the demand for housing. As residential demand rises, mixed-use developments combining living, commercial, and recreational spaces are reshaping urban areas.

Property appreciation in these regions fosters competitive leasing markets, benefiting investors with higher rents and lower vacancies. The increased economic activity creates a multiplier effect, driving demand for retail and commercial real estate, while Malaysia's reputation as a favourable investment destination strengthens, attracting further investments. Additionally, the establishment of the Malaysia-Singapore Special Economic Zone (JS-SEZ) accelerates high-tech and industrial developments, further boosting the real estate market and contributing to the country's overall economic growth.

### Malaysia Domestic Direct Investment (DDI) vs Foreign Direct Investment (FDI), 2014 – H1 2024



(Source: MIDA, RHIZP Research)

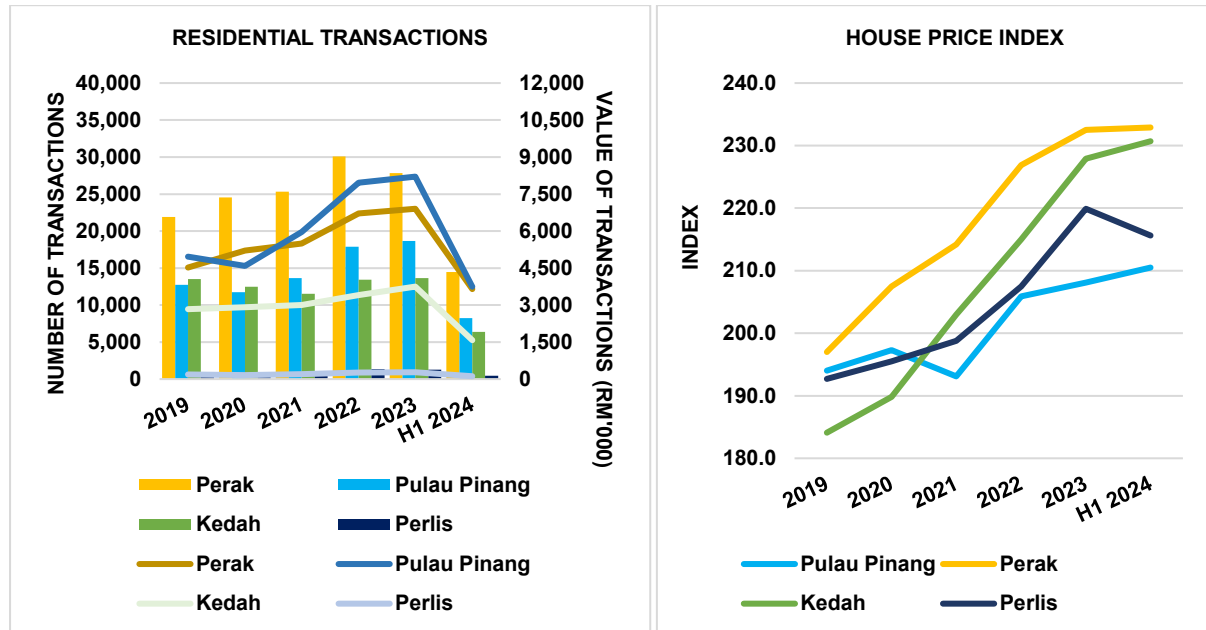


# **PROPERTY MARKET PERFORMANCE**

**NORTHERN REGION**

## RESIDENTIAL MARKET

## Residential Market Trends: Northern Region, 2019 – H1 2024



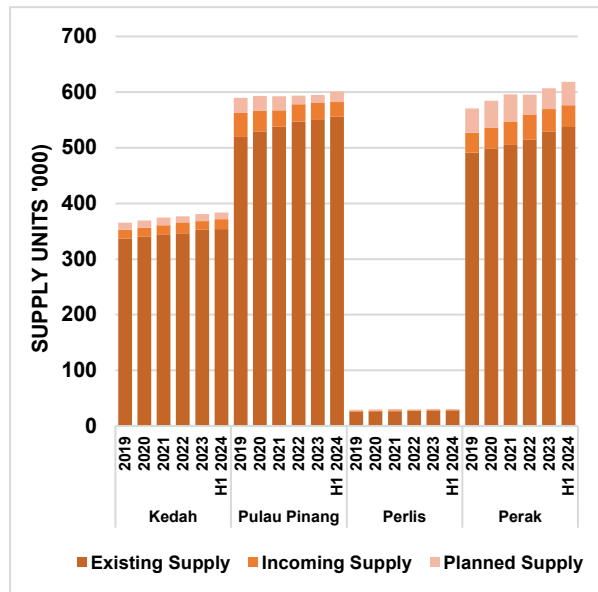
(Source: NAPIC, RHIZP Research)

## NORTHERN REGION RESIDENTIAL MARKET PERFORMANCE

In 2023, residential demand in Perak declined by 7.54% compared to 2022, after four years of growth from 2019 to 2022. This shift could indicate market saturation or a temporary adjustment following several years of rising demand. Perlis also experienced a decline of 5.54% in 2023, after a substantial 55.75% surge in 2022, suggesting that demand had peaked and is now stabilizing.

In contrast, Kedah and Pulau Pinang saw slight increases in residential demand, with year-on-year growth of 1.6% and 4.31%, respectively. Pulau Pinang, notably, has shown consistent demand growth over the past four years, possibly due to its status as a major economic and lifestyle hub in the region, which sustains buyer interest.

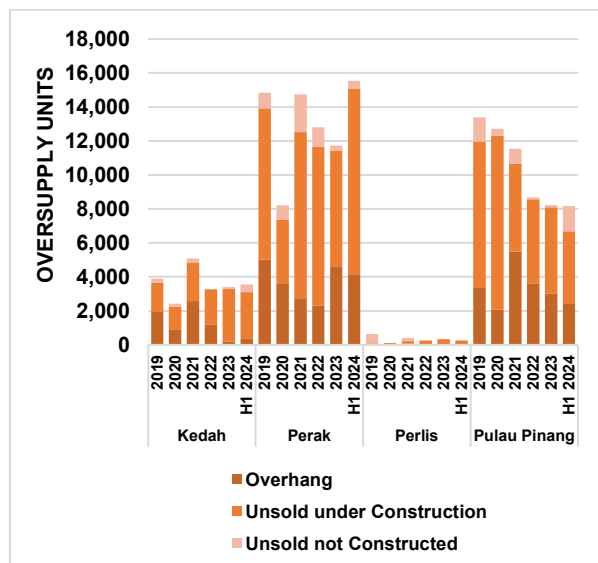
### Supply of Residential Properties in Northern Region, 2019 – H1 2024



### BALANCED DEMAND AND SUPPLY

Incoming supply across the Northern Region decreased in 2023, with Perak accounting for the highest incoming supply at 40,446 units, though this represents a 7.45% decrease from 2022. Pulau Pinang, Kedah, and Perlis followed with incoming supplies of 30,685, 16,006, and 1,180 units, respectively. Notably, the overhang and unsold units in Perak and Pulau Pinang decreased by 8.3% (11,738 units) and 5.24% (8,220 units), respectively, signalling a healthier balance between supply and demand in these states. Meanwhile, Kedah and Perlis saw increases in unsold units of 3.78% (3,408 units) and 29.81% (344 units), respectively.

### Oversupply of Residential Properties in Northern Region, 2019 – H1 2024

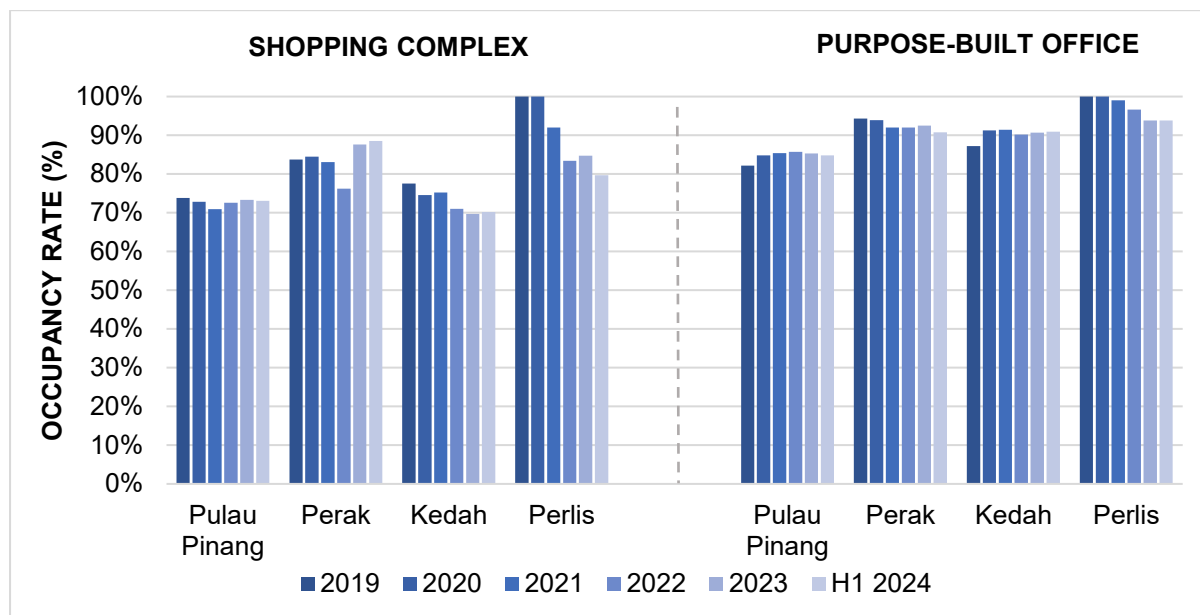


(Source: NAPIC, RHIZP Research)

Perak's House Price Index (HPI) remained the highest in the Northern Region in 2023 at 232.5%, reflecting a 2% increase from 2022. This indicates continued price appreciation, likely driven by consistent demand in preferred areas. Kedah and Perlis followed, with HPIs of 227.9 and 219.9, maintaining their positions as the second and third highest HPIs since 2022. In contrast, Pulau Pinang had the lowest HPI in the Northern Region at 208.1, despite its steady demand growth. This could suggest a slower rate of price appreciation in Pulau Pinang, potentially due to a more robust supply pipeline of housing options, which may help moderate price increases.

## COMMERCIAL MARKET

## Occupancy Rates of Commercial Properties in Northern Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

**MIXED PERFORMANCE WITH PERAK LEADING OCCUPANCY RATES**

The retail sub-sector in the Northern region has experienced a mix of performances, with slight fluctuations in occupancy rates between 2023 and the first half of 2024.

Perak continues to dominate the region with the highest occupancy rate, showing a steady performance of 87.6% in 2023, which further increased to 88.5% in H1 2024. This growth reflects a solid demand for retail space, driven by the state's economic activity and a growing population. Conversely, Perlis saw a decline in its occupancy rate, which fell to 79.7% in H1 2024 from 84.7% in 2023, indicating a slowdown in retail market dynamics.

In Pulau Pinang, occupancy remained relatively stable, with only a slight drop from 73.1% in 2023 to 73.1% in H1 2024. This suggests a

cautious sentiment in the retail market, though Pulau Pinang remains a central retail hub in the region. Kedah, saw a small improvement, with occupancy rising from 69.7% in 2023 to 70.2% in the first half of 2024, signalling a modest recovery in demand for retail spaces.

When it comes to rental rates, Pulau Pinang commands the highest rentals, especially in prime retail areas like Bayan Lepas and George Town. Malls such as Queensbay Mall and Gurney Plaza remain the most expensive, with rental rates ranging from RM 10.00 to RM 20.00 per square foot per month and RM 3.50 to RM 19.00 per square foot per month, respectively. Meanwhile, for Kedah, Aman Central remains attractive with affordable rental rates ranging from RM 2.00 to RM 7.00 per square foot per month, whilst, Amanjaya Mall ranges from RM 5.00 to RM 11.00 per square foot per month.

Ultimately, retail property performance is closely tied to the local economy and consumer confidence, and a stronger retail environment is anticipated in key locations moving forward.

#### **Key Rental Trends for Shopping Complexes in Northern Region, 2024**

Shopping Complex	GFA (sq ft)	NLA (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Queensbay Mall	927,171	883,648	RM10.00	RM12.00
Gurney Plaza	1,253,314	893,572	RM 3.50	RM 19.00
Aman Central	1,250,000	800,000	RM2.00	RM7.00
Amanjaya Mall	n/a	n/a	RM5.00	RM11.00

(Source: NAPIC, RHIZP Research)



(Credit: Aman Central website)

#### **PURPOSE-BUILT OFFICE MARKET TRENDS: STEADY DEMAND AMID REGIONAL VARIATIONS**

The Northern region's purpose-built office (PBO) market has experienced a generally stable performance, characterized by regional variations in occupancy and rental rates. Despite a slight dip in some areas, demand for office space remains resilient, underpinned by growing infrastructure development, local

economic activity, and an evolving business environment.

Perlis continues to outperform other states in the Northern region, maintaining the highest occupancy rate of 93.8% for both H1 2024 and 2023. The state's relatively low supply and high demand for office spaces in its commercial hubs, such as Kangar, contribute to its strong market fundamentals. With affordable rental rates and a smaller, yet stable office market,

Perlis offers attractive opportunities for businesses looking for value in the region.

Kedah, with its primary commercial centers in Alor Setar and Sungai Petani, has also displayed a stable performance. The occupancy rate for Kedah edged up slightly to 90.9% in H1 2024, up from 90.7% in 2023. This indicates steady demand for office space, driven by both local businesses and increasing interest from firms looking to establish a presence in the region. Kedah remains one of the more affordable options in the Northern region, with rental rates significantly lower than Pulau Pinang and Perak, making it an attractive choice for cost-conscious businesses.

Perak, one of the key players in the Northern PBO market, saw a slight reduction in occupancy rates to 90.8% in H1 2024, down from 92.5% in 2023. This decline reflects a broader trend of slower demand growth in the state, particularly in office spaces in areas like Ipoh. Despite this, Perak remains a competitive office market with a solid foundation, driven by steady local economic activities. Rental rates in Perak are generally more affordable, with prime office spaces in Ipoh ranging from RM 1.00 to RM 3.00 per square foot per month, positioning

the state as an attractive alternative for businesses looking for cost-effective office spaces.

Pulau Pinang remains the most expensive office market in Northern Malaysia, and it experienced a slight dip in occupancy rates, falling to 84.8% in H1 2024 from 85.3% in 2023. While Pulau Pinang’s office rental rates are the highest in the region, with prominent locations like Gurney Paragon Tower commanding rental rates ranging from RM 3.00 to RM 5.00 per square foot per month, the market faces evolving demand. The dip in occupancy may suggest a shift in tenant preferences towards more affordable locations, but Pulau Pinang continues to hold its position as a key hub for businesses, particularly in sectors such as finance, technology, and services.

The Northern region’s PBO market is expected to continue its steady growth, albeit with regional variations. Pulau Pinang will likely remain the dominant market in terms of rental rates, but the rising affordability and stable occupancy in states like Perlis, Kedah, and Perak indicate that businesses are becoming more open to exploring other locations.

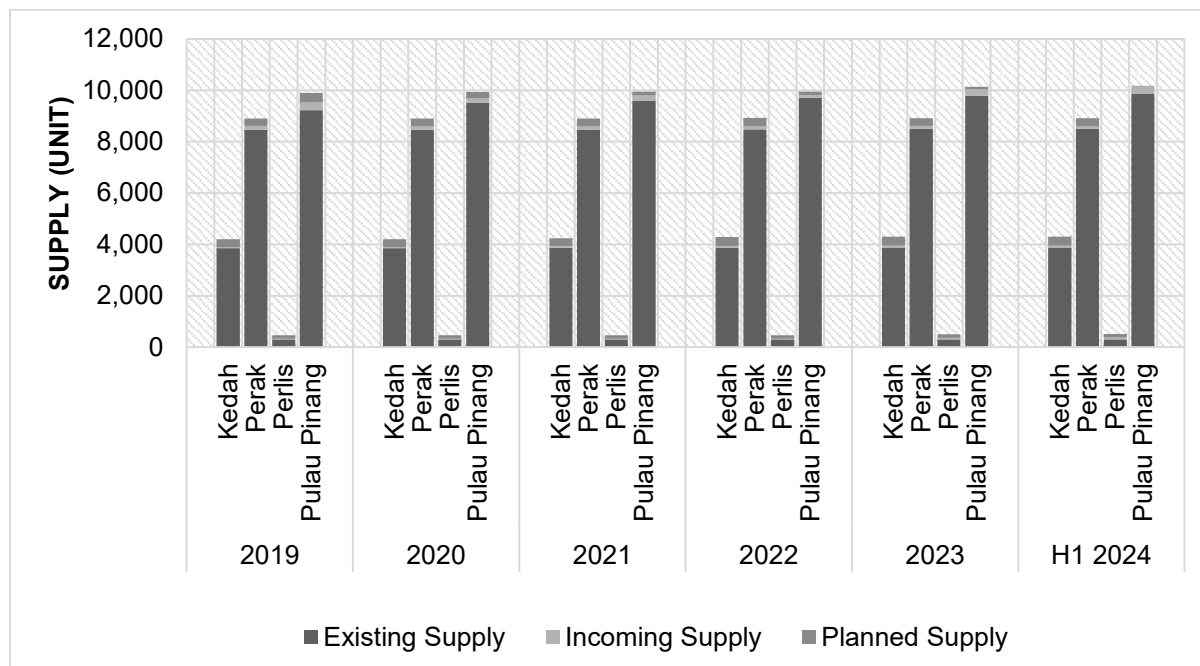
Key Rental Trends for Purpose-Built Offices (PBO) in Northern Region, 2024

PBO	Location	Rental Min PSF/Month	Rental Max PSF/Month
Gurney Paragon Tower	Georgetown	RM 3.00	RM 5.00
Plaza MWE	Georgetown	RM 3.00	RM 3.00
Hunza Tower	Georgetown	RM 6.00	RM 6.00
KHTP Business Centre	Kulim	RM 1.00	RM 2.00

(Source: NAPIC, RHIZP Research)

## INDUSTRIAL MARKET

## Supply of Industrial Properties in Northern Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

## PULAU PINANG: A MANUFACTURING POWERHOUSE

In 2023, Malaysia's industrial market recorded a total of 8,157 transactions nationwide, with the Northern Region contributing 18.7% of this figure, translating to 1,525 transactions. This reflects a steady demand for industrial properties in the region, driven by ongoing economic activities and the strategic positioning of key states such as Pulau Pinang, Perak, and Kedah.

Pulau Pinang, in particular, has emerged as a leading industrial hub, particularly for the electronics and electrical (E&E) and semiconductor industries. The state's industrial sector remains vibrant, attracting both local and international investors, thanks to its well-established infrastructure and business-friendly environment. With the support of the Penang Development Corporation (PDC), the state has

positioned itself as a central hub for electronics manufacturing, providing a well-organized and efficient framework for industrial operations.

The strategic location of Pulau Pinang, with its proximity to key ports, is a significant advantage, facilitating smooth import and export processes for manufacturers. This connectivity ensures that Pulau Pinang continues to be a magnet for companies in the E&E sector, as well as those involved in semiconductor manufacturing. The state's industrial market remains robust, supported by an influx of investments and the continued expansion of manufacturing facilities.

Perak, with its established manufacturing base and emerging logistics hubs, continues to attract interest from businesses looking to set up operations outside of the more competitive and expensive markets of Kuala Lumpur and Selangor. Perak has also witnessed notable

growth in the industrial sector, with new developments such as the Kerian Integrated Green Industrial Park gaining traction. This environmentally focused industrial park is designed to promote sustainable practices, aligning with global trends towards green technology and low-carbon emissions. The park's strategic location, along with its emphasis on eco-friendly infrastructure, makes it an attractive option for both local and international companies looking to establish manufacturing operations in the state.

Kedah, with its lower cost of land and ongoing infrastructure improvements, is beginning to see a rise in interest from industrial developers seeking to tap into the state's growing potential. The development of AREA's data center in Delapan, Kedah, represents a significant

milestone for the state's industrial market, adding a new dimension to its industrial landscape after Kulim Hi-Tech Park success.

The overall industrial market in the Northern Region remains resilient, with demand driven by key sectors such as manufacturing, logistics, and warehousing. The region's access to transport infrastructure, including major highways and ports, ensures that it remains a competitive location for industrial activities.

As industrial activities continue to expand in the Northern Region, the demand for purpose-built industrial properties, particularly in strategic locations near transport hubs, will likely increase. This presents a promising outlook for the region's industrial market, offering significant opportunities for developers and investors alike.

**Notable Industrial Transactions, 2024**

No.	Location	Seller	Buyer	Consideration	Remarks
1.	Delapan, Kedah	Northern Gateway Sdn Bhd	AREA Group of Companies through Data Gateway Sdn Bhd	Undisclosed	<ul style="list-style-type: none"> <li>First phase: 30.0 acres industrial land.</li> <li>Second phase: 126.0 acres industrial land.</li> <li>To build hyperscale data centre campus called AREA Data Centre Campus (ADCC).</li> </ul>
2.	Muallim, Perak	DRB-Hicom Bhd	Feytech Holdings Bhd	RM 19.98 million	<ul style="list-style-type: none"> <li>9.76 acres of freehold industrial land.</li> <li>For business expansion.</li> </ul>
3.	Gopeng, Perak	Sungai Raya Development Sdn Bhd, Poh Yoke Lan and Low Yoon Chin	Unisem (M) Bhd	RM 30.14 million	<ul style="list-style-type: none"> <li>38 plots of land measuring 1.88 million sq ft.</li> <li>To expand its semiconductor packaging and test facilities.</li> </ul>
4.	Perai, Pulau Pinang	Hume Concrete Sdn Bhd (HCCT)	Skygate Technology (KL) Sdn Bhd	RM 39.8 million	<ul style="list-style-type: none"> <li>A parcel of land in Prai Industrial Estate, Penang, together with the buildings and all fixtures, fittings and other things.</li> </ul>

*(Source: News Compilation, RHIZP Research)*

## LEISURE MARKET

The leisure property market in the northern region has witnessed a dynamic shift in recent years, influenced by changing consumer preferences, evolving travel trends, and the increasing demand for destinations that offer both relaxation and outdoor experiences. The convergence of natural beauty, historical charm, and growing infrastructure development has helped the northern region carve out a distinct niche in Malaysia's leisure property market.

Northern Malaysia boasts a wealth of natural attractions, from the limestone hills and rainforests of Perak to the scenic beaches of Penang and Kedah, as well as the quiet countryside of Perlis. These places are increasingly attracting investors and homebuyers interested in second homes or holiday retreats.

In the northern region, properties in areas like Penang, Langkawi (Kedah), and Ipoh (Perak) are being seen not only as vacation homes but also as income-generating assets. Popularity of short-term rental platforms, like Airbnb, is fuelling the demand for leisure properties in popular tourist destinations, providing owners with a steady stream of rental income.

Penang, with its vibrant mix of cultural heritage, culinary delights, and tropical beauty, has long been a popular destination for both domestic and international tourists. The island has seen a growing demand for luxury leisure properties,

particularly in areas like Batu Ferringhi, Tanjung Bungah, and Gurney Drive, where sea views, upscale amenities, and proximity to Penang's iconic attractions make it a highly sought-after location.

In Perak and Kedah, there is growing interest in properties that allow for off-grid living, incorporating solar power, rainwater harvesting, and organic farming. Such developments are gaining traction among buyers who want a connection to nature, making them ideal for weekend retreats or long-term stays.

Despite the growth potential, there are several challenges in the leisure property market in northern Malaysia. The cost of land in prime areas, particularly in Penang, is rising, making it difficult for developers to find affordable land for leisure projects. Additionally, the development of infrastructure to support tourism in more remote areas, such as rural Perak or Kedah, remains a critical concern, as access to these areas may still be limited.

Moreover, environmental preservation must be balanced with the demand for development, particularly in ecologically sensitive areas like Langkawi or the rainforests of Perak. As the region continues to benefit from rising domestic and international tourism, infrastructure improvements, and a growing desire for sustainable, nature-focused living, northern Malaysia is expected to remain a key player in the country's leisure property sector.

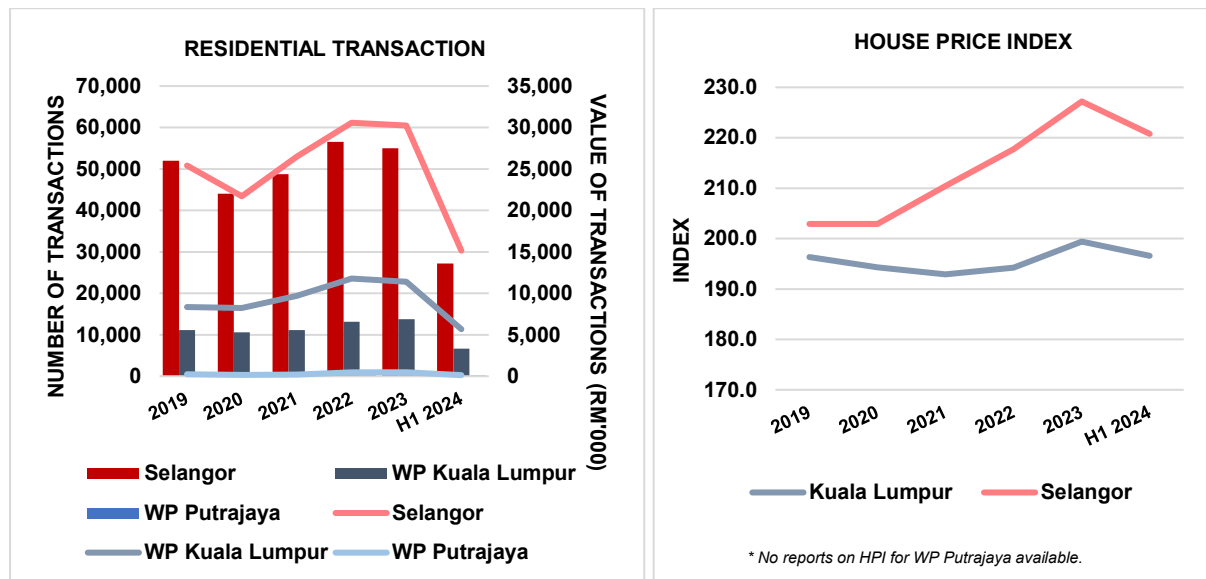


# **PROPERTY MARKET PERFORMANCE**

**CENTRAL REGION**

## RESIDENTIAL MARKET

## Residential Market Trends: Central Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

## MARKET IN TRANSITION: ADAPTING TO NEW REALITIES

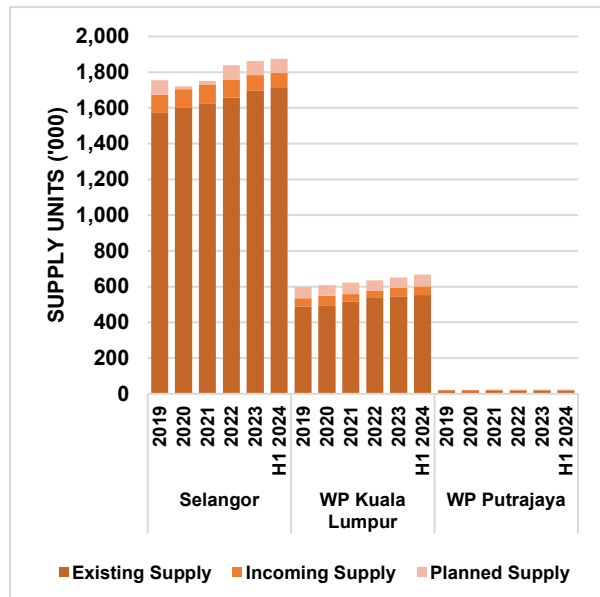
After a period of strong growth post-pandemic recovery, the residential market in the Klang Valley and surrounding central regions is now entering a phase of steady consolidation. The robust demand for residential properties is gradually shifting into a more measured phase, with both buyers and developers adopting a more cautious approach. As a result, the market is experiencing a cooling effect, prompting developers to take a more thoughtful stance, carefully monitoring trends before launching new projects.

In 2023, Selangor's residential demand in terms of volume saw a slight decline of 2.6%, following consistent growth in previous years, including increases of 10.7% in 2021 and 15.9% in 2022. This moderation suggests a

stabilization of demand after a period of rapid expansion. Meanwhile, WP Kuala Lumpur continued to show positive momentum, with a 4.3% rise in demand in 2023, following an 18.4% increase in 2022, indicating continued interest in urban residential properties. Putrajaya, on the other hand, fluctuated with demand decreasing by 2.6% in 2023 after a substantial surge of 32.4% in 2022.

While the luxury segment faces challenges, there remains notable activity in the affordable and mid-range segments, attracting first-time homebuyers, young professionals, and growing families. Overall, the urgency that previously characterized the market has shifted to a more measured, wait-and-see approach as buyers and developers adjust to the evolving economic landscape.

### Supply of Residential Properties in Central Region, 2019 – H1 2024

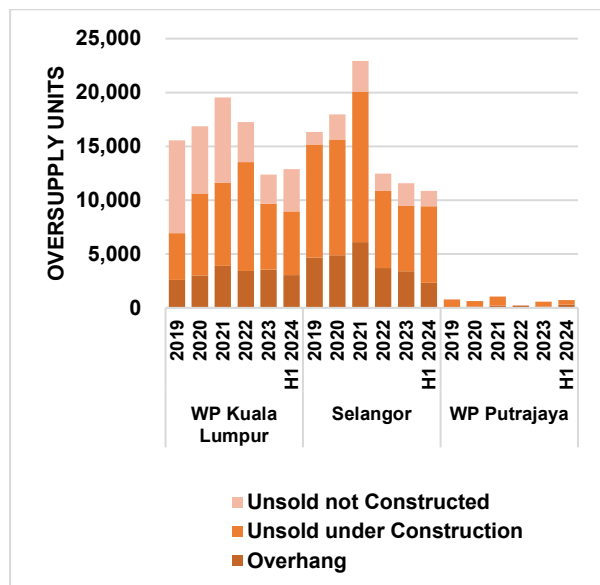


Incoming supply in Selangor dropped by 11.9% in 2023, declining from 99,875 units in 2022 to 87,946 units. This reduction could be a response from developers to adjust supply levels in line with the recent dip in demand. In contrast, Kuala Lumpur's incoming supply rose by 16.2%, increasing from 41,647 units in 2022 to 48,395 units in 2023. Despite Selangor having higher demand, Kuala Lumpur recorded a higher number of overhang and unsold units in 2023, with 12,377 units compared to Selangor's 11,563 units.

Selangor's House Price Index (HPI) saw a significant increase in 2023, reaching 227.2, an 8% rise from 2022. This growth may reflect strong underlying demand, as well as the appeal of Selangor as a preferred residential area with a variety of property options and amenities. Meanwhile, Kuala Lumpur's HPI saw a modest increase, reaching 199.4 in 2023, indicating stable but less aggressive price appreciation, which could be due to the higher supply levels helping to temper price increases.

While overhang remains a concern, the market conditions appear more balanced due to the ongoing strong demand in both regions, particularly in the more affordable segments. To mitigate overhang, developers may need to adjust their strategies to ensure better absorption of new units, particularly during periods of seasonal demand fluctuations and slower price growth.

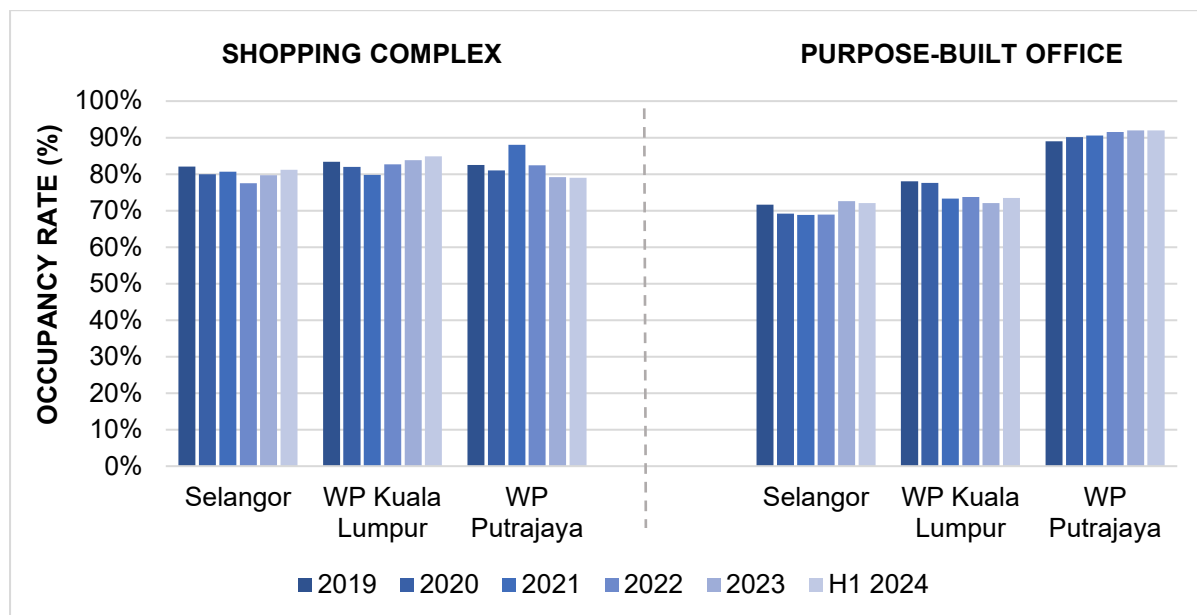
### Oversupply of Residential Properties in Central Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

## COMMERCIAL MARKET

## Occupancy Rates of Central Region Commercial Properties, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

**RESILIENT RETAIL: KLANG VALLEY'S SHOPPING MALLS ADAPTING TO THE NEW NORMAL**

The retail market has shown promising signs of recovery post-pandemic, especially within Kuala Lumpur's prime shopping mall locations, such as Pavilion, Suria KLCC, and Mid Valley Megamall. Retailers are adjusting to evolving consumer habits by emphasizing experiential retail, integrating e-commerce, and diversifying their offerings to cater to a wider range of consumer profiles.

This positive shift is reflected in the occupancy rates of shopping complexes in the Central region. In the first half of 2024, occupancy rates surpassed the national average for the same period. Selangor saw a notable increase, rising from 79.7% in 2023 to 81.2% in H1 2024. Kuala Lumpur also experienced growth, reaching 84.9% in H1 2024, up from 83.8% in 2023. In contrast, Putrajaya reported a slight dip in occupancy, decreasing from 79.2% in 2023 to 79.0% in 2024.



Pavillion Kuala Lumpur



Suria KLCC



Mid Valley Megamall

Most shopping complexes in the Central region have maintained stable retail space rentals, with Suria KLCC in Kuala Lumpur continuing to hold its prominent position. Below are some notable shopping mall rental figures:

**Key Rental Trends for Shopping Complexes in Central Region, 2024**

Shopping Complex	GFA (sq ft)	NLA (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Suria KLCC	1,500,000	1,000,000	RM 43.00	RM 113.00
Mid Valley Megamall	4,000,000	1,844,874	RM 33.00	RM 58.00
Sunway Pyramid	4,328,250	1,718,000	RM 11.00	RM 27.00
IOI Mall Puchong	1,100,000	750,000	RM 12.00	RM 59.00
One Utama	5,590,000	2,190,000	RM 15.00	RM 46.00

(Source: NAPIC, RHIZP Research)

**PURPOSE-BUILT OFFICE MARKET  
RESPONDS TO CHANGING NEEDS**

The office space market in Kuala Lumpur is gradually recovering, with demand shifting towards flexible workspaces and hybrid office models. While sectors like tech companies and startups continue to seek new office space, the overall vacancy rate remains high, particularly in older buildings. Newer Grade A offices in prime areas, such as the Golden Triangle, continue to attract tenants, but landlords are adjusting rents to stay competitive.

In Selangor, suburban office markets, especially in Petaling Jaya and Subang Jaya, have seen moderate growth. However, like Kuala Lumpur, there is a shift towards smaller, more flexible office spaces due to the rise of hybrid work. This trend has increased demand for co-working spaces, while demand for traditional office space remains subdued.

Occupancy rates for purpose-built offices in the Central region show Putrajaya leading with an impressive 92.0%, followed by Kuala Lumpur at 73.5% and Selangor at 72.1%. Kuala Lumpur saw a modest improvement, rising from 72.1% in 2023 to 73.5% in the first half of 2024. In contrast, Selangor experienced a slight dip, with its occupancy rate easing to 72.1% in H1 2024, down from 72.6% the previous year. Meanwhile, Putrajaya's occupancy rate remained steady throughout this period.

Most office buildings in the Central region experienced stable rental rates. Menara Prestige on Jalan Pinang, within the Golden Triangle, saw a 9.6% rental growth ranging from RM 6.30 to RM 8.50 per square foot. Meanwhile, in Selangor, office space rental rates remained steady. Damansara Uptown recorded the highest rental rates for office space, with rentals ranging from RM 3.80 to RM 12.90 per square foot.

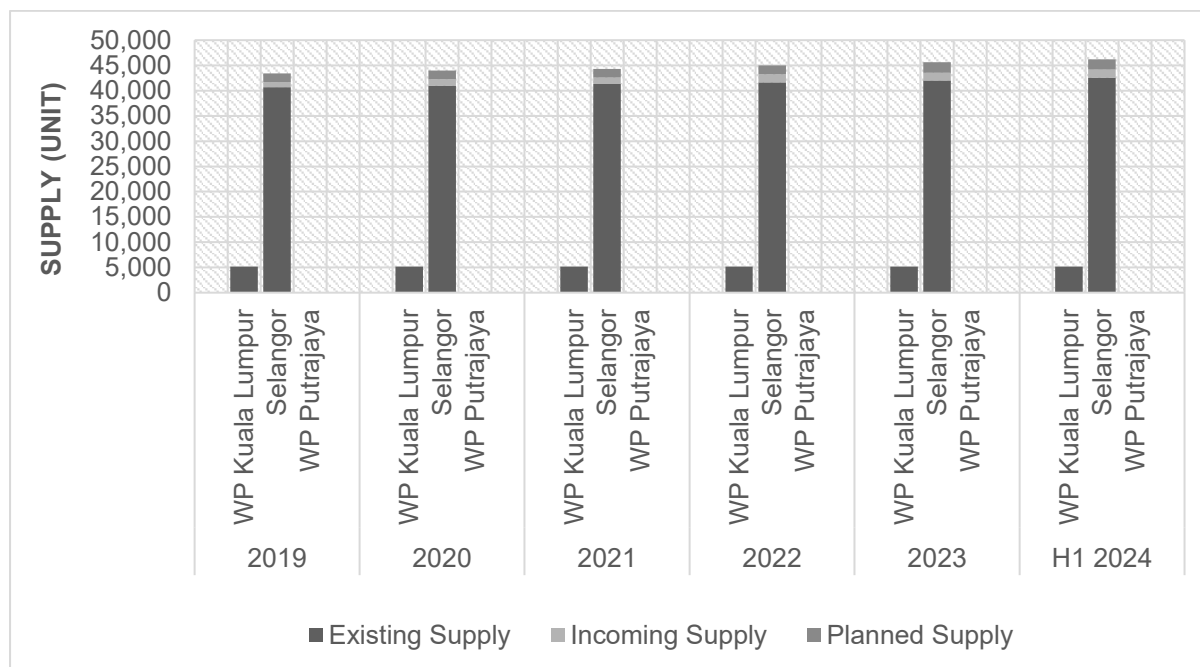
Key Rental Trends for Purpose-Built Offices (PBO) in Central Region, 2024

PBO	NLA (sq ft)	Typical Floor Plate (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Exchange 106	2,600,000	28,000 - 34,000	RM 10.00	RM 15.00
KL Eco City (Mercu 2)	544,361	14,500 - 15,000	RM 5.00	RM 8.00
Tower 3 Petronas	840,000	25,000	RM 9.00	RM 15.00
Glomac Business Centre PJ	41,814	6,050	RM 1.00	RM 3.00
Puchong Financial Corporate Centre (PFCC)	850,000	12,000 - 15,000	RM 5.00	RM 7.00

(Source: NAPIC, RHIZP Research)

## INDUSTRIAL MARKET

## Supply of Industrial Properties in Central Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

**SELANGOR: THE HEART OF KLANG VALLEY'S THRIVING INDUSTRIAL MARKET**

The industrial property market in Malaysia saw significant activity in 2023, with 8,157 transactions across the country. Of these, 33.7% (2,750 transactions) took place in the Central Region, underlining the importance of this area to the national industrial sector. Selangor, in particular, has emerged as a key hub for industrial activity, benefiting from its strategic proximity to key economic areas like WP Kuala Lumpur and WP Putrajaya. This advantageous location, combined with vast land banks, has made Selangor a focal point for industrial parks in the Klang Valley.

Selangor's industrial parks offer notable advantages, particularly due to their accessibility to major ports, which boosts their appeal to logistics, manufacturing, and distribution companies. The state has become

a magnet for various industrial activities, further spurred by the efforts of the local government and Invest Selangor, which provides valuable advisory services to both start-ups and expanding businesses. This support has helped foster an environment conducive to growth, making Selangor a key player in Malaysia's industrial landscape.

The diverse range of industrial sectors supported in Selangor, from electronics to manufacturing and logistics, reflects the state's role as a versatile industrial hub. With its excellent connectivity to other industrial regions and a well-established infrastructure, Selangor continues to attract both local and international investors, driving sustained growth in the industrial property market.

**Notable Industrial Transactions, 2024**

No.	Location	Seller	Buyer	Consideration	Remarks
1.	Port Klang, Selangor.	Malconrep Depot (M) Sdn Bhd and Dayang Mewah Sdn Bhd.	Axis REIT	RM 159.0 mil	<ul style="list-style-type: none"> <li>44,095.78 sq metres land comprising two blocks of individual detached industrial premises.</li> <li>18,261.18 sq metres and consisting of a block of single-storey warehouse annexed with a double-storey office building.</li> <li>For leasing purposes.</li> </ul>
2.	i. Cheras Jaya, Selangor.	i. Sin Chee Heng Sdn Bhd.	KIP REIT	i. RM 22.6 mil	<ul style="list-style-type: none"> <li>A leasehold land with an industrial building that includes a factory with a net lettable area of 66,632 sq ft.</li> <li>For leasing purposes.</li> </ul>
	ii. Pulau Indah, Selangor.	ii. Channel Legion Sdn Bhd.		ii. RM 23.7 mil	<ul style="list-style-type: none"> <li>A warehouse in the Port Klang Free Zone, situated on 6.4 acres of leasehold land with a net lettable area of 193,365 sq ft.</li> <li>For leasing purposes.</li> </ul>
3.	Sepang, Selangor.	PTT Synergy Group Bhd's subsidiary Pembinaan Tetap Teguh Sdn Bhd (PTTSB).	MCM Land Sdn Bhd.	RM 26.0 mil	<ul style="list-style-type: none"> <li>Two units of three-storey detached factories at RM 13.0 million each.</li> <li>Buyer's own investment.</li> </ul>
4.	Sepang, Selangor.	Sime Darby Property Bhd.	Subsidiary PTT Synergy Group Bhd, Pembinaan Tetap Teguh Sdn Bhd.	RM 22.0 mil	<ul style="list-style-type: none"> <li>Two parcels of land with semi-detached factories in Pusat Perindustrian Serenia.</li> <li>For business expansion.</li> </ul>

5.	Rawang, Selangor.	Euro Holdings Bhd.	TTF Marketing Holdings Sdn Bhd.	RM 17.3 mil	<ul style="list-style-type: none"> <li>8,000 sq m freehold industrial land together with a two-storey detached factory and an annexed three-storey office building.</li> </ul>
6.	Bukit Raja, Klang, Selangor.	Lion Industries Corp Bhd.	Axis REIT (via subs. Amsteel Mills Sdn Bhd.)	1. RM 313.0 mil 2. RM 38.8 mil	<ul style="list-style-type: none"> <li>An industrial complex, covering an area of nearly 60 acres.</li> <li>An open storage yard, covering an area of 7.13 acres.</li> <li>For leasing purpose.</li> </ul>
7.	Klang, Selangor.	Petaling Garden Sdn Bhd.	FM Global Logistics Holdings Bhd.	1. RM 37.72 mil 2. RM 18.93 mil	<ul style="list-style-type: none"> <li>Two plots of freehold land totalling 5.66 acres in the Setia Alaman Industrial Park.</li> <li>A 2.84 acres piece of land.</li> <li>To facilitate future expansion.</li> </ul>
8.	Kuala Selangor, Selangor.	Niken Steel (M) Sdn Bhd.	PA Resources Bhd.	RM 21.0 mil	<ul style="list-style-type: none"> <li>Two parcels of adjoining leasehold industrial land that measure a collective 72,840 sq ft.</li> <li>To build a new factory for production capacity.</li> </ul>
9.	Klang, Selangor.	Amsteel Mills Sdn Bhd (AMSB).	Axis REIT	RM 49.0 mil	<ul style="list-style-type: none"> <li>A leasehold industrial complex within Kawasan Perindustrian Bukit Raja, spanning 374,491 sq ft with a net lettable area of 199,500 sq ft.</li> <li>For leasing purpose.</li> </ul>

10.	Shah Alam, Selangor.	Pekat Group Bhd.	Titan Equity Sdn Bhd.	RM 21.0 mil	<ul style="list-style-type: none"> <li>An industrial freehold land, measuring 12,813.89 sq m.</li> </ul>
11.	Beranang, Selangor.	Puspajaya Realty Sdn Bhd (PRSB).	LB Aluminium Bhd.	RM 30.42 mil	<ul style="list-style-type: none"> <li>Two factories and an office on a 4.56 acres freehold land.</li> <li>To grow warehouse capacity.</li> </ul>
12.	Shah Alam, Selangor.	Wasco Bhd.	Array Metal (M) Sdn Bhd.	RM 40.0 mil	<ul style="list-style-type: none"> <li>A parcel of freehold land measuring 18,363 sq m together with storage buildings.</li> </ul>

(Source: Bursa, News Compilation, RHIZP Research)

## LEISURE MARKET

### RESILIENCE AND RECOVERY IN A CHANGING LANDSCAPE

All three states - WP Kuala Lumpur, WP Putrajaya and Selangor, have seen continued interest in their hotel markets, even within the leisure segment. These areas are highly attractive due to their convenience and the ability to offer everything within close proximity. In Kuala Lumpur, prime locations such as Bukit Bintang and KLCC are particularly popular for new hotel developments, while in Selangor, regions like Subang Jaya and Shah Alam are also experiencing growth.

The hotel market in the Central Region, is showing encouraging signs of resilience and recovery post-pandemic. As the nation's economic and tourism hub, the region continues to draw both international and domestic tourists, with business and leisure travel steadily on the rise.

Kuala Lumpur, as the capital city, remains a central player in the hospitality industry. The demand for hotel rooms in prime locations, particularly the Golden Triangle, continues to rebound, fuelled by a resurgence in tourism, business events, and international conferences. With its robust tourism infrastructure, rich cultural offerings, and vibrant

commercial scene, Kuala Lumpur remains a long-term growth prospect for hotel operators.

In Selangor, due to the state's proximity to Kuala Lumpur, combined with significant commercial and industrial developments, has made it a go-to destination for business travellers. Areas like Petaling Jaya, Subang Jaya, and Shah Alam are seeing a steady increase in hotel bookings, driven by business activity and easy access to major transport hubs. Furthermore, Selangor's growing appeal as a tourism hotspot, with its family-friendly attractions and natural parks, has broadened the market for leisure-focused hotels.

Putrajaya, Malaysia's administrative capital, remains a key location for government-related travel, international meetings, and conferences. Although demand in Putrajaya tends to be more seasonal and influenced by government events, it maintains a steady flow of visitors, particularly during peak periods when large-scale events are held.

Despite the positive signs of recovery, the hotel market in the Central Region still faces challenges, such as rising operating costs and fluctuating room rates. To stay competitive, hotels are increasingly focusing on upgrading their services and enhancing guest experiences to meet the evolving needs of today's travellers.

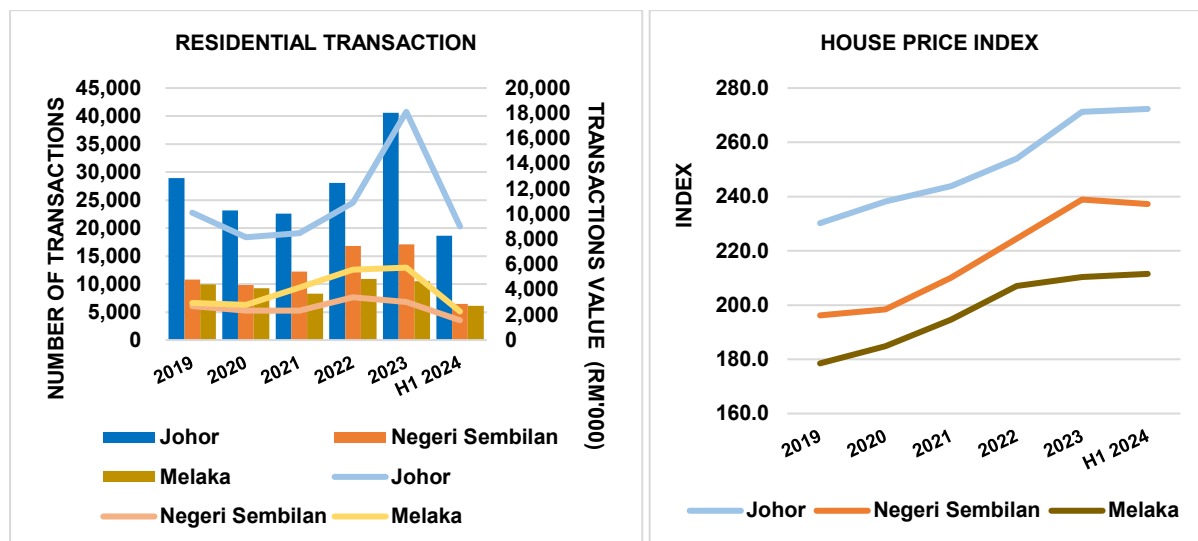


# **PROPERTY MARKET PERFORMANCE**

**SOUTHERN REGION**

## RESIDENTIAL MARKET

## Residential Market Trends: Southern Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

The residential property market in Malaysia's southern region, encompassing Johor, Negeri Sembilan, and Melaka, has seen varied trends in recent years, reflecting both localized market conditions and broader economic developments. In particular, Johor has emerged as the dominant player in the region, driven by its strategic location, robust infrastructure development, and strong demand for residential properties.

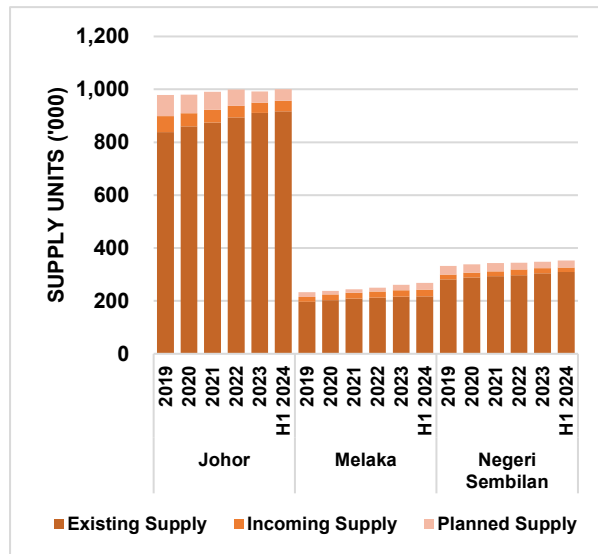
**POST-COVID MARKET PERFORMANCE**

Between 2022 and 2023, residential demand in Johor surged by over 44.4%, driven by ongoing development initiatives and Johor Bahru's rising appeal as a key residential hub. In contrast, Negeri Sembilan recorded a slight decline of 1.92%, and Melaka saw a 3.7% decrease in residential demand, likely reflecting localized market adjustments. Notably, Johor

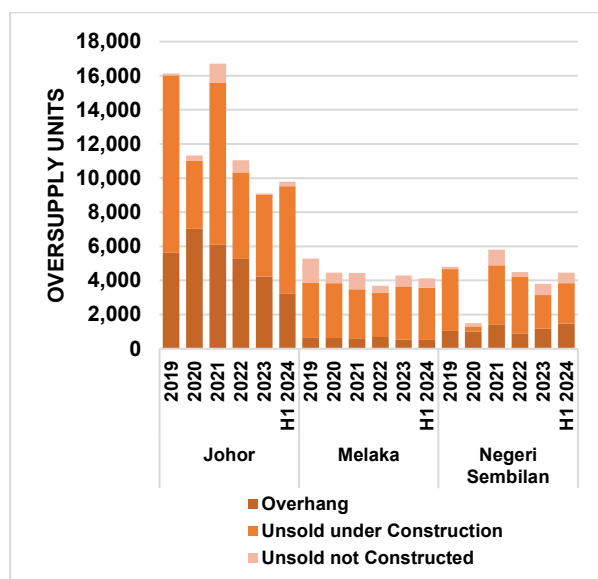
Bahru recorded the highest transaction volume in the region, with a 59.03% increase from 2022, underscoring the city's robust demand and strategic appeal.

The House Price Index (HPI) in the region saw strong growth in 2023, with Johor and Melaka rising by 11% and 8%, respectively, and Negeri Sembilan experiencing the largest increase at 13%. These rising HPIs indicate a positive price trajectory, likely fuelled by sustained demand and key developments in these areas. Incoming supply trends varied across the region in 2023. Both Johor and Negeri Sembilan recorded decreases in new supply compared to 2022, suggesting that developers may be adjusting their offerings to better align with market demand and to avoid oversupply while Melaka however, saw an increase in incoming supply from 22,341 to 24,562 units.

### Supply of Residential Properties in Southern Region, 2019 – H1 2024



### Oversupply of Residential Properties in Southern Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

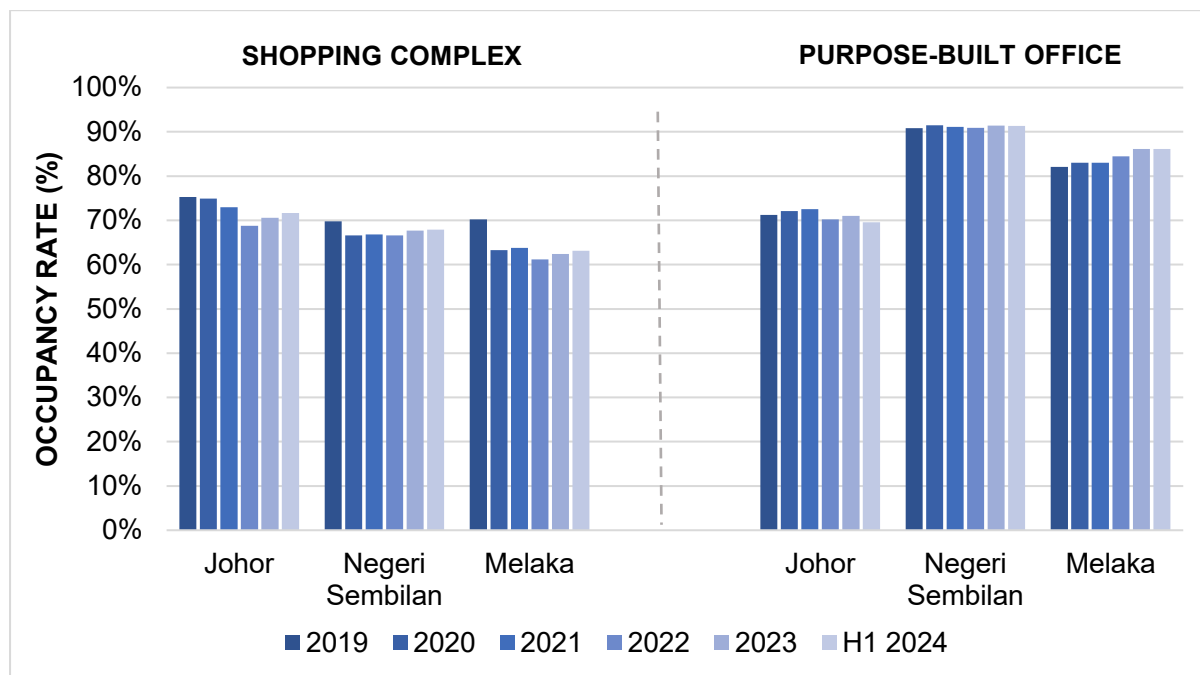
### SUPPLY TRENDS AND MARKET BALANCE

Overhang and unsold units declined significantly in Johor and Negeri Sembilan by nearly -17.7% and -15.4%, respectively, signalling a healthier inventory balance and stronger market absorption in these areas. Melaka, however, experienced a 16.3% increase in overhang and unsold units, indicating potential supply-demand misalignment. Notably, Johor's overhang units have been on a steady decline over the past four years (2020–2023), highlighting the state's ability to effectively manage inventory levels, while Melaka and Negeri Sembilan showed more stable but less marked changes.

Looking ahead, Johor's residential market demonstrated a 3.8% increase in demand during the first half of 2024 (H1 2024) compared to H1 2023. With ongoing development projects, including the Johor Bahru-Singapore Rapid Transit System (RTS Link), the establishment of a Special Financial Zone, and the Special Economic Zone in Iskandar Malaysia, there is strong potential for continued demand growth in Johor. These initiatives are expected to enhance cross-border connectivity, attract investment, and solidify Johor as a residential and economic hub, supporting a positive outlook for 2025 and beyond.

## COMMERCIAL MARKET

## Occupancy Rates of Southern Region Commercial Properties, 2019 – H 1 2024



(Source: NAPIC, RHIZP Research)

## RETAIL MARKET PERFORMANCE IN THE SOUTHERN REGION

The retail market in Malaysia's Southern region has shown a steady and resilient performance, with improved occupancy rates across key states. Johor continues to lead the way, experiencing a slight uptick in occupancy, which rose to 71.7% in 2024, up from 70.6% in 2023. Meanwhile, Negeri Sembilan and Melaka also saw marginal improvements in occupancy, reaching 67.9% and 63.1%, respectively, compared to last year (67.7% for Negeri Sembilan and 62.4% for Melaka).

This positive trend reflects a stable retail environment, with shopping complexes in the region maintaining solid occupancy levels despite broader market challenges. Notably, Johor Bahru remains the prime retail hotspot, with some of the highest rental rates in the

region. In areas like Johor Bahru City Square and Larkin Sentral, rental rates for prime retail spaces range between RM 3.80 and RM 52.00 per square foot per month. City Square itself offers rates from RM 3.80 to RM 33.00 per square foot, underscoring its position as a key retail hub.

Beyond Johor Bahru, rental growth is also evident in other areas like Batu Pahat. At Menara BCB, located in Batu Pahat's central town, rental rates have shown promising growth, with rates ranging from RM 3.30 to RM 5.60 per square foot per month. Meanwhile, in secondary areas within central towns, some shopping complexes are commanding rental rates between RM 7.30 and RM 52.00 per square foot per month.

**Key Rental Trends for Shopping Complexes in Southern Region, 2024**

Shopping Complex	GFA (sq ft)	NLA (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
KSL City	1,000,000	775,000	RM 2.00	RM 29.00
Paradigm Mall	2,700,000	1,287,000	RM 12.00	RM 16.00
Mahkota Parade	1,392,623	521,142	RM 11.00	RM 20.00

*(Source: NAPIC, RHIZP Research)***PURPOSE-BUILT OFFICE MARKET PERFORMANCE**

The purpose-built office market in the Southern region has shown a mix of stability and slight adjustments in occupancy rates as of the first half of 2024. Leading the pack is Negeri Sembilan, which achieved the highest occupancy rate of 91.3%, closely followed by Melaka at 86.1%. Melaka's occupancy rate remained unchanged from 2023, indicating consistency in demand. Meanwhile, Negeri Sembilan saw a marginal dip from 91.4% in 2023 to 91.3% in H1 2024, while Johor experienced a notable decrease in occupancy, falling to 69.6% from 71% the previous year.

Johor Bahru continues to command the highest rental rates for purpose-built office spaces in the region, with prime locations such as Menara Ansar in Johor Bahru's central town offering rates between RM 3.00 and RM 7.00 per

square foot per month. In contrast, office rentals in Melaka and Negeri Sembilan are more affordable, with rates ranging from RM 3.50 to RM 5.50 in Melaka and RM 2.50 to RM 4.50 in Negeri Sembilan. Noteworthy office spaces in Melaka, such as those at Hatten City, The Shore Office Tower, and Mahkota Parade Office Tower, command the highest rents, while in Negeri Sembilan, premium office spaces can be found in areas like Seremban 2 and KPJ Seremban.

Overall, while Johor's office market saw some softening in occupancy, Negeri Sembilan and Melaka have maintained their steady performance, with a competitive mix of rental rates across the region. The market's balance of high-demand locations and more affordable alternatives presents diverse opportunities for both occupiers and investors in the Southern region.

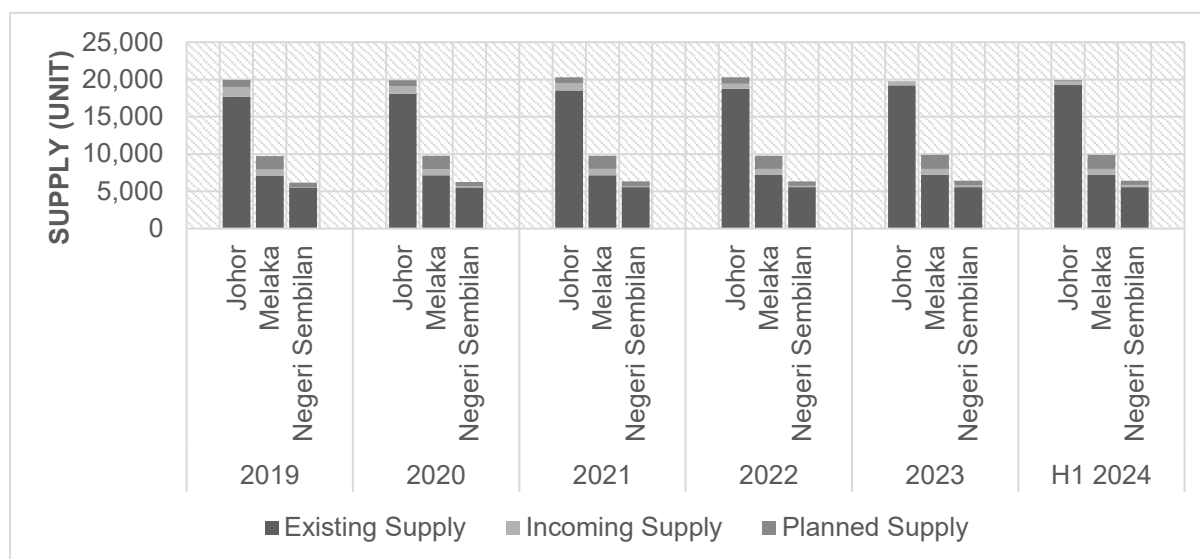
**Key Rental for Purpose-Built Offices (PBO) in Southern Region, 2024**

PBO	NLA (sq ft)	Typical Floor Plate (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Menara Komtar	160,592	Approximately 6,500	RM 3.00	RM 6.00
Menara Landmark	285,000	Approximately 8,100	RM 2.00	RM 6.00
Menara Jland	262,592	8,106 - 11,9764	RM 3.50	RM 4.00

*(Source: NAPIC, RHIZP Research)*

## INDUSTRIAL MARKET

## Supply of Industrial Properties in Southern Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

### JOHOR'S INDUSTRIAL MARKET SET TO SOAR WITH FOREST CITY SFZ AND DATA CENTER BOOM

Southern region accounted for 30.7% of total industrial transaction nationwide, with 2,502 transactions, highlighting the region's growing appeal to industrial investors. Johor, stands out as a key player in the industrial landscape, benefiting from its strategic geographical location near Singapore, which continues to drive significant interest from investors, especially in the data center sector.

Johor's proximity to Singapore, a global business hub, has positioned it as a prime destination for data center developments. The state's infrastructure, including its established transport and logistics networks, makes it an attractive option for companies looking to set up data centers to cater to both the Malaysian and international markets. Furthermore, with the recent announcement of the Forest City Special Financial Zone (SFZ), Johor is expected to see an influx of foreign investment. This move is

anticipated to boost the state's industrial sector further, particularly with the establishment of more manufacturing plants, industrial parks, and high-tech facilities.

The ongoing growth and expansion of Johor's industrial and technological sectors place the state in a strong position to become a regional hub for industrial development. This evolving landscape is expected to attract more multinational corporations and industries, driving demand for industrial spaces, including warehouses, logistics hubs, and manufacturing facilities.

In summary, Johor's industrial market is poised for continued growth, with strong investor interest driven by its strategic location, technological advancements, and supportive government initiatives such as the SFZ. The Southern region, with Johor at its core, is set to become a major center for industrial and technological innovation in Malaysia, attracting both local and international businesses looking to capitalize on the state's promising prospects.

**Notable Industrial Transactions, 2024**

No.	Location	Seller	Buyer	Consideration	Remarks
1.	Gelang Patah, Johor.	Tropicana Firstwide Sdn Bhd (TFSB).	Computility Technology (Malaysia) Sdn Bhd (CTMSB).	RM 240.0 mil	<ul style="list-style-type: none"> <li>38.53 acres of land.</li> <li>To set up a data centre.</li> </ul>
2.	Pasir Gudang, Johor.	PK Fertilizers Sdn Bhd.	KIP Real Estate Investment Trust.	RM 23.3 mil	<ul style="list-style-type: none"> <li>A warehouse with net lettable area of 184,120 sq ft on 5.7 acres of freehold land.</li> <li>For Leasing.</li> </ul>
3.	Port Dickson, Negeri Sembilan.	Peristal Enterprise Sdn Bhd.	Antmed Malaysia Sdn Bhd.	RM 80.8 mil	<ul style="list-style-type: none"> <li>53.0 acres of freehold agricultural land with potential to convert to medium industrial category.</li> <li>For own capital.</li> </ul>
4.	Two located in i-TechValley in Iskandar Puteri and two in i-Park@Senai Airport City.	AME Elite Consortium Bhd.	AME Real Estate Investment Trust.	RM 119.5 mil	<ul style="list-style-type: none"> <li>Four industrial properties with combined agreed lettable area of 391,872 sq ft.</li> <li>To optimise capital.</li> </ul>
5.	Plentong, Johor.	EKL Holdings Sdn Bhd.	Paragon Globe Bhd.	RM 34.96 mil	<ul style="list-style-type: none"> <li>Two parcels of freehold land, measuring approximately 11.09 acres and 8.24 acres respectively.</li> <li>Industrial development.</li> </ul>
6.	Plentong, Johor.	Paragon Business Hub Sdn Bhd (PBHSB).	Bridge Data Centres Malaysia.	1. RM 238.32 mil 2. RM 98.98 mil	<ul style="list-style-type: none"> <li>Parcel 1: 47.86 acres of land.</li> <li>Parcel 2: 19.759 acres of land.</li> <li>Undisclosed intention of purchase or development.</li> </ul>
7.	Iskandar Malaysia, Kulai, Johor.	Eco World Development Group Bhd.	Microsoft Payments (Malaysia) Sdn Bhd.	RM 402.3 mil	<ul style="list-style-type: none"> <li>49.83 hectares of industrial land.</li> <li>To set up a data centre.</li> </ul>
8.	Pulai, Johor.	Crescendo Corp Bhd's subsidiary Panoramic Industrial Development Sdn Bhd (PID).	Digital Halo Pte Ltd.	RM 115.88 mil	<ul style="list-style-type: none"> <li>20.463 acres of vacant industrial land.</li> <li>To set up a data centre.</li> </ul>
9.	Nusajaya, Johor.	UEM Sunrise Bhd.	LOGOS Infrastructure Holdco Pte Ltd.	RM 144.9 mil	<ul style="list-style-type: none"> <li>Two parcels of freehold land measuring about 11.7 hectares (28.9 acres).</li> <li>To set up a data centre.</li> </ul>

10.	Iskandar Puteri, Johor.	River Retreat Sdn Bhd.	ST Dynamo DC, a joint-venture of Telekom Malaysia Bhd and Singapore Telecommunications Ltd (Singtel).	RM 178.23 mil	<ul style="list-style-type: none"> <li>• A freehold land spanning 168,959 sq m.</li> <li>• To set up a data centre.</li> </ul>
11.	Iskandar Puteri, Johor.	Pentagon Land Sdn Bhd and Greenhill SILC Sdn Bhd via AME Elite Consortium Bhd.	Digital Hyperspace Malaysia Sdn Bhd (DHM).	RM 209.84 mil	<ul style="list-style-type: none"> <li>• 11 plots of freehold land measuring over 34.91 acres at I-TechValley within Phase 3 of the Southern Industrial and Logistics Clusters (SILC).</li> <li>• To set up a data centre.</li> </ul>
12.	Kulai, Johor.	Dahlia Utama Sdn Bhd.	AME Elite Consortium Bhd through Golden Symphony Sdn Bhd.	RM 106.17 mil	<ul style="list-style-type: none"> <li>• Three parcels of freehold land, measuring 37.5 acres.</li> <li>• To develop an industrial cluster.</li> </ul>
13.	Pulai, Johor.	Crescendo Corp Bhd via Panoramic Industrial Development Sdn Bhd (PID).	Microsoft Payments (Malaysia) Sdn Bhd.	RM 132.47 mil	<ul style="list-style-type: none"> <li>• A vacant freehold land measuring 1.1 million sq. ft.</li> <li>• To set up a data centre.</li> </ul>
14.	Nusajaya, Johor.	Axis Real Estate Investment Trust (Axis REIT)	Confidential.	RM 162.0 mil	<ul style="list-style-type: none"> <li>• Two single-storey detached factories, a two-storey office building, a two-storey canteen and maintenance office, a single-storey training centre, a three-storey worker hostel, and other ancillary buildings in Axis Steel Centre @ Southern Industrial Logistic Clusters (SiLC).</li> <li>• Own investment.</li> </ul>
15.	Iskandar Malaysia, Johor.	Nusajaya Tech Park Sdn Bhd.	CapitaLand Malaysia Trust (CLMT).	RM 27.0 mil	<ul style="list-style-type: none"> <li>• Three prime freehold ready-built factories located at the Nusajaya Tech Park.</li> <li>• Own investment.</li> </ul>

(Source: News Compilation, RHIZP Research)

## LEISURE MARKET

### Rising Demand and Growing Potential

Johor is at the forefront of the Southern region's leisure property market. Thanks to its proximity to Singapore, Johor is becoming a favourite for both tourists and investors. Investors are particularly looking forward to being involved in the development of resorts, luxury properties, and data centers. Popular destinations like Desaru, along with eco-tourism projects along the coast, continue to see rising demand for vacation homes and resorts. The recent announcement of the Forest City Special Financial Zone is expected to boost the state's appeal, attracting even more foreign investors, and turning Johor into a hub for industrial, technological, and leisure developments.

Melaka's rich cultural heritage makes it one of Malaysia's most visited tourist spots, and its leisure property market is thriving. With its UNESCO World Heritage status and beautiful coastal views, Melaka attracts tourists looking for boutique hotels, heritage resorts, and vacation homes. The state's charm as a weekend getaway is driving demand for short-term rentals and unique leisure developments. As the infrastructure improves and tourism grows, Melaka is set to remain a key destination for both local and international travellers.

Though often overshadowed by its neighbours, Negeri Sembilan is emerging as a hidden gem for leisure properties. Known for its natural beauty and relaxing environment, the state is gaining popularity with eco-tourism developments. Areas like Seremban and Port Dickson are becoming hotspots for eco-resorts, glamping sites, and wellness retreats. With its peaceful setting and close proximity to Kuala Lumpur, Negeri Sembilan offers an attractive option for weekend getaways, making it an up-and-coming destination for nature-based leisure properties.

Looking ahead, the Southern region's leisure property market shows strong potential for growth. Johor is likely to remain the leader with large-scale resort developments, while Melaka continues to thrive as a cultural and tourist hub. Negeri Sembilan's eco-tourism scene is expected to expand, drawing more visitors looking for a peaceful retreat.

With improved infrastructure like the Johor Bahru-Singapore Rapid Transit System (RTS Link) and ongoing development projects, the Southern region is poised to become an even more attractive destination for leisure investments. As demand for unique leisure experiences rises, the region's property market is set for a bright future.

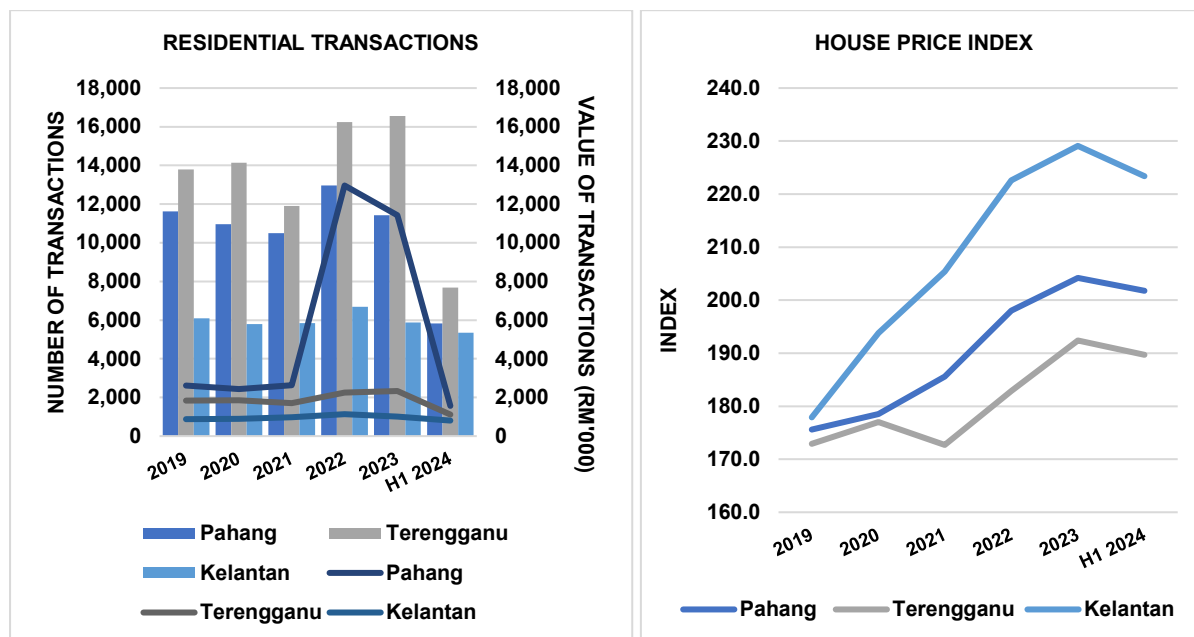


# **PROPERTY MARKET PERFORMANCE**

**EAST COAST REGION**

## RESIDENTIAL MARKET

## Residential Market Trends: East Coast Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

## STABILIZING AMIDST REGIONAL GROWTH

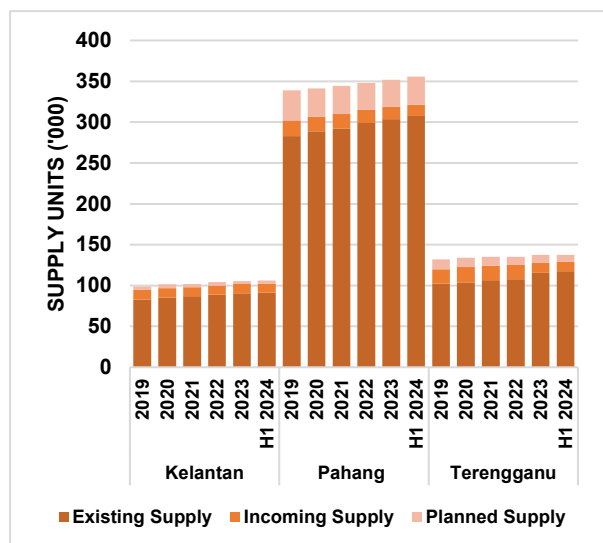
The East Coast residential property market, covering Terengganu, Kelantan, and Pahang, is showing promising signs of stability after a period of fluctuations. Traditionally known for its affordability, this region is now experiencing gradual growth, driven by a surge in local demand and key infrastructure developments.

In Pahang, particularly in areas like Kuantan, residential property transactions are on the rise, fueled by improved connectivity and an influx of both domestic and foreign investment. Meanwhile, Kelantan and Terengganu, while more rural in nature, continue to see steady demand for residential properties, especially in urban hubs like Kota Bharu and Kuala Terengganu, respectively. While the luxury and high-rise market remains subdued, demand for landed homes is consistently strong, especially

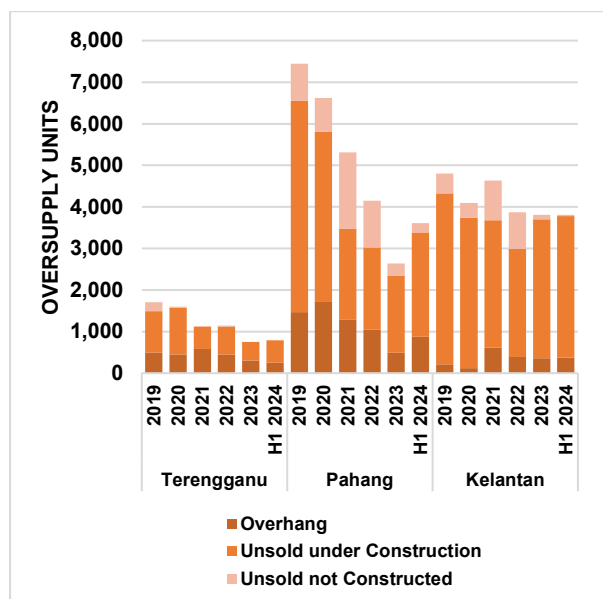
as economic activities and job opportunities continue to grow.

In 2023, Terengganu stood out as the East Coast's leader, recording the highest residential demand in the region—16,560 units, marking a 2.0% increase from the previous year. This growth signals ongoing confidence in the state's residential market, possibly driven by local economic improvements or a greater availability of housing options. On the other hand, Pahang and Kelantan saw declines in demand, with Pahang down 11.9% to 11,420 units and Kelantan falling by 12.0% to 5,886 units.

### Supply of Residential Properties in East Coast Region, 2019 – H1 2024



### Oversupply of Residential Properties in East Coast Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

Terengganu also experienced a dramatic shift in supply dynamics, with a substantial 30.6% drop in incoming units in 2023. This may indicate that developers are responding to demand fluctuations and adjusting their strategies. Pahang, too, saw a 3.5% decrease in incoming supply; marking its second consecutive year of decline; suggesting a more cautious approach amidst evolving market conditions. In contrast, Kelantan maintained steady levels of incoming supply, reflecting a consistent development pace that aligns with its stable demand.

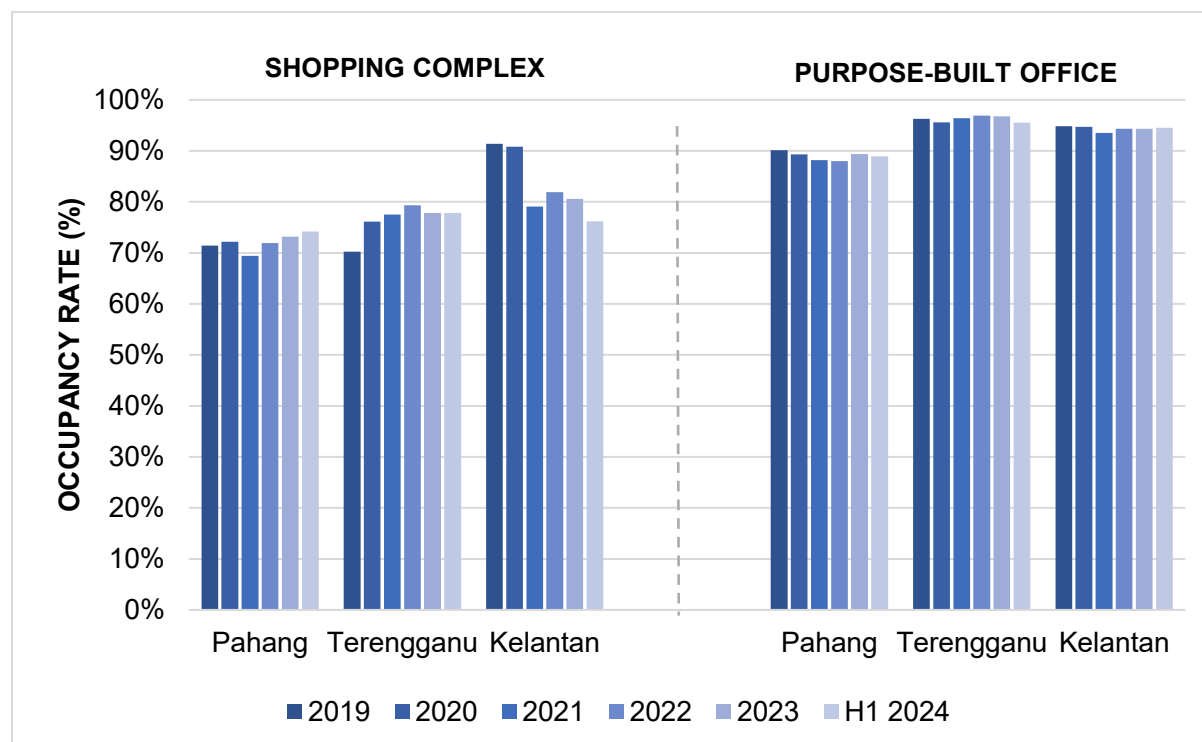
Both Terengganu and Pahang made impressive strides in reducing overhang, with decreases of 36.3% and 34.4% respectively. These improvements demonstrate effective inventory management and better market absorption. In Kelantan, however, the reduction in overhang was more modest, with only a slight dip of 1.6%.

The region also saw a notable increase in its House Price Index (HPI) in 2023. Kelantan led the way with the highest HPI growth, followed by Pahang and Terengganu. This rise in property values is likely a reflection of factors such as increased development costs, heightened demand in select areas, and broader market trends fueled by regional investments.

A major catalyst for the East Coast residential market is the ongoing development of the East Coast Rail Link (ECRL). This critical infrastructure project promises to enhance regional connectivity, which in turn is expected to stimulate further growth in property demand.

## COMMERCIAL MARKET

## Occupancy Rates of East Coast Region Commercial Properties, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

## RETAIL MARKET PERFORMANCE

The retail market in the East Coast region of Malaysia is showing promising signs of recovery, with notable variations across Terengganu, Kelantan, and Pahang. Terengganu, in particular, stands out with its robust retail performance, maintaining a solid occupancy rate of 77.8% in the first half of 2024; on par with the previous year. This stability reflects the state's growing retail sector and its ability to adapt to market changes, making it a bright spot in the region's retail landscape.

While the East Coast's overall occupancy rate in the first half of 2024 is slightly lower than the national average, the region continues to offer significant opportunities for growth. Kelantan,

though experiencing a slight dip from 80.6% in 2023 to 76.2% in H1 2024, remains a key player with a strong foundation for future growth. The state's retail market is evolving, and with ongoing improvements in infrastructure and consumer confidence, it is poised for a positive rebound in the coming months.

Pahang has maintained the lowest occupancy rate in the East Coast Region for five years, from 2020 to the H1 2024. Although Pahang has faced challenges with maintaining the lowest occupancy rate in the East Coast, its retail market is not without potential. With strategic revitalization efforts and a focus on modernizing shopping centres, Pahang can tap into emerging consumer trends and enhance its retail appeal.

With ongoing infrastructure development and an optimistic consumer outlook, the future of the East Coast retail market shows potential for growth.

Rental rates for retail spaces in the East Coast region have remained largely stable across most shopping complexes. Kuantan, Pahang,

stands out with the highest rental rates, particularly in shopping centers like East Coast Mall, where rents range from RM 3.50 to RM 40.00 per square foot per month. In Kuala Terengganu, KTCC Mall offers rental rates between RM 3.00 and RM 15.00 per square foot per month.

Key Rental Trends for Shopping Complexes in East Coast Region, 2024

Shopping Complex	GFA (sq ft)	NLA (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Kuantan Parade	n/a	n/a	RM 2.00	RM 6.00
KTCC Mall	1,939,728	570,000	RM 3.00	RM 15.00
East Coast Mall	1,063,097	467,450	RM 3.50	RM 40.00

(Source: NAPIC, RHIZP Research)

STABLE OFFICE MARKET PERFORMANCE AMIDST MINOR FLUCTUATIONS

The East Coast office market remains stable, with strong performance across Terengganu, Kelantan, and Pahang. Terengganu leads the region with the highest occupancy rate of 95.5% in H1 2024, despite a slight decline from 96.8% in 2023. Nevertheless, the state's office market continues to be highly sought after, driven by strong demand for purpose-built office spaces and a limited supply of available units.

Kelantan's office market has shown a small but positive increase in occupancy, rising to 94.5% in H1 2024, up from 94.3% in 2023. This indicates steady demand for office spaces, mostly driven by local economic activity and regional connectivity. The state's office market is maintaining its resilience, benefiting from

ongoing business developments and improvements in infrastructure.

Pahang, on the other hand, experienced a slight decline in occupancy, dropping to 88.9% in H1 2024 from 89.4% in 2023. While still performing at a solid level, the state's office market faces some challenges in achieving higher occupancy rates.

Rental rates for purpose-built offices in the East Coast region have increased, particularly in Pahang, with Kuantan seeing the highest rates. Menara Zenith in Kuantan offers rental rates ranging from RM 2.00 to RM 6.00 per square foot per month. In Terengganu and Kelantan, the highest rental rates are found in prime areas such as Kota Bharu and Kuala Terengganu, respectively.

Overall, the office market in the East Coast remains relatively stable, with a mix of positive

and slightly fluctuating trends across the three states. As business activities and infrastructure projects continue to progress, the outlook for

the region's office market appears optimistic, with potential for further growth in demand.

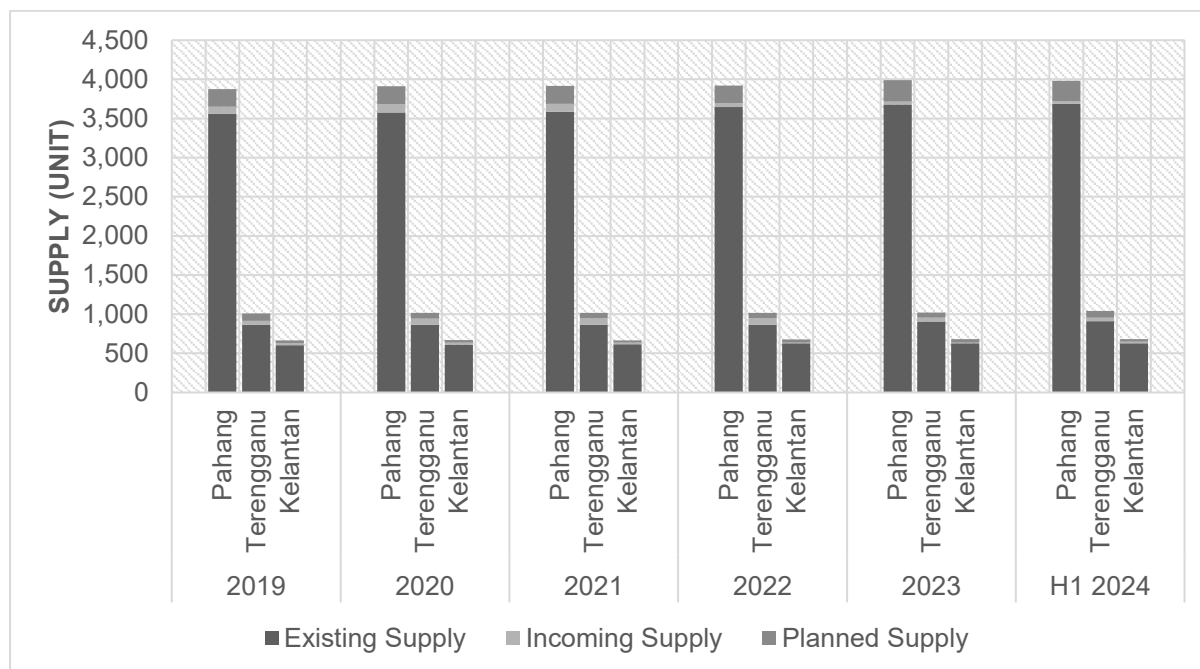
**Key Rental Trends for Purpose-Built Offices (PBO) in East Coast Region, 2024**

PBO	NLA (sq ft)	Typical Floor Plate (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Menara Zenith	n/a	n/a	RM 1.00	RM 2.00
Darul Takaful Kuala Terengganu	290,000	2,648	RM 2.00	RM 7.00
Wisma Maidam	30,000	3,628	RM 2.00	RM 3.00

(Source : NAPIC, RHIZP Research)

## INDUSTRIAL MARKET

## Supply of Industrial Properties in East Coast Region, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

### CAPITALIZING ON STRATEGIC GROWTH AND INFRASTRUCTURE DEVELOPMENTS

States such as Pahang, Terengganu, and Kelantan have witnessed consistent growth, supported by improved infrastructure, especially connectivity, and the region's proximity to key industrial hubs.

In Pahang, areas like Kuantan have benefited from growing investments, particularly in the logistics and manufacturing sectors, spurred by the state's strategic location and proximity to ports. The development of the Kuantan Port

and improved connectivity have made Pahang an attractive destination for industrial developments, fostering demand for warehouses and distribution centers.

The region's relatively affordable land prices, coupled with ongoing investments in infrastructure like the East Coast Rail Link (ECRL), are expected to further drive growth in the industrial sector. However, there have been no notable industrial transactions to highlight at this moment.

## LEISURE MARKET

### HUB FOR ECO-TOURISM AND FAMILY VACATIONS

East Coast region continues to strengthen its position as a popular destination for both domestic and international tourists. The region has benefitted from Malaysia's robust tourism industry, with significant growth in visitor arrivals and tourism receipts in 2023.

According to the Malaysia Tourism Key Performance Indicators, the East Coast region saw a steady influx of visitors in 2023, driven by its diverse leisure offerings, including pristine beaches, cultural landmarks, and eco-tourism destinations. The region's growth has been particularly evident in areas such as Terengganu, which is home to world-renowned islands like the Perhentian Islands and Redang Island. These islands continue to attract both domestic and international tourists, with growing interest in marine activities and nature-based tourism.

Similarly, Pahang also benefiting from its proximity to popular beaches such as Teluk Cempedak. bolstered by eco-tourism developments in areas like Taman Negara and Genting Highlands, has further fueled growth in the region. Kuantan's infrastructure development, including improvements to road networks and transport links, has also enhanced its appeal as a leisure destination.

Meanwhile, Kota Bharu, the Kelantan's state capital, is a gateway for visitors seeking a deep dive into Malaysia's traditional Malay culture, art, and cuisine. Kelantan's natural attractions, such as the Gunung Stong State Park and the Tasek Kenyir area, have also become growing eco-tourism hotspots, attracting tourists with an interest in adventure and nature-based tourism.

With government initiatives to boost domestic tourism and attract international visitors, the region is well-positioned to continue its upward trajectory.

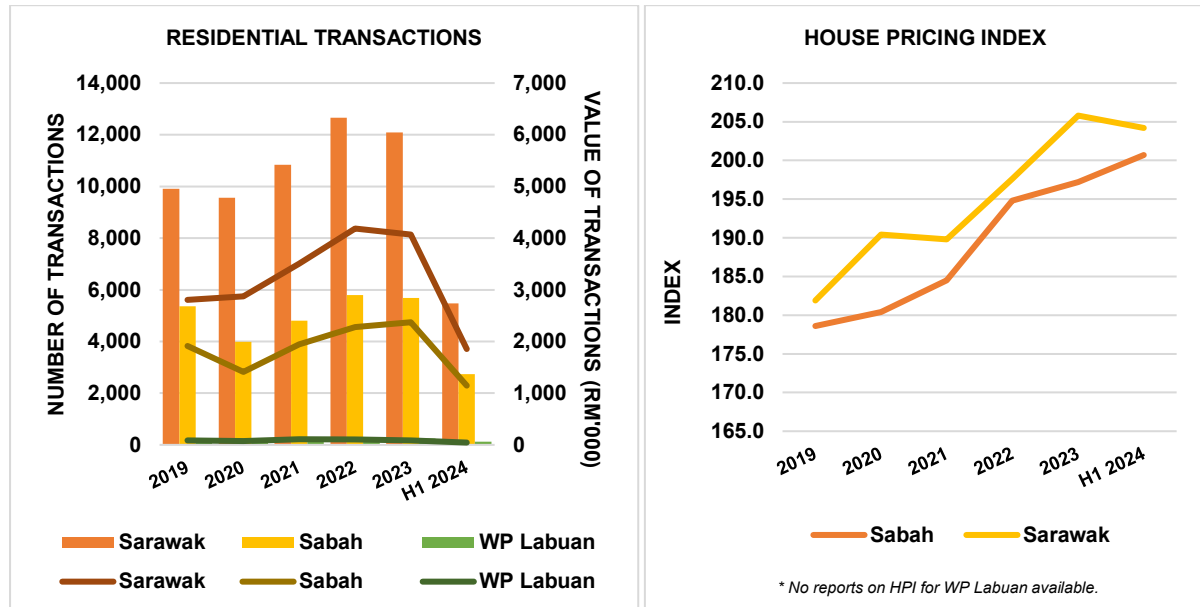


# **PROPERTY MARKET PERFORMANCE**

**EAST MALAYSIA**

## RESIDENTIAL MARKET

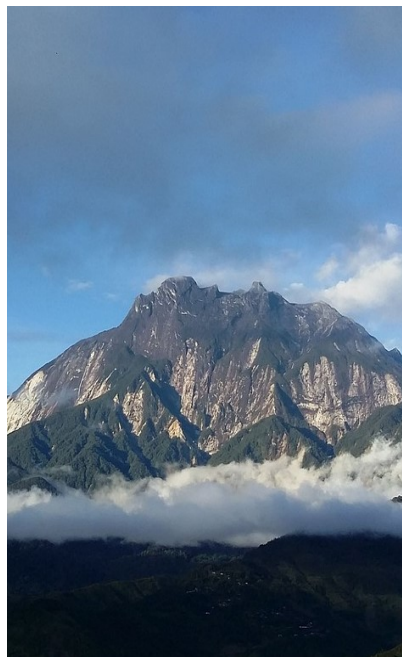
## Residential Market Trends: East Malaysia, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

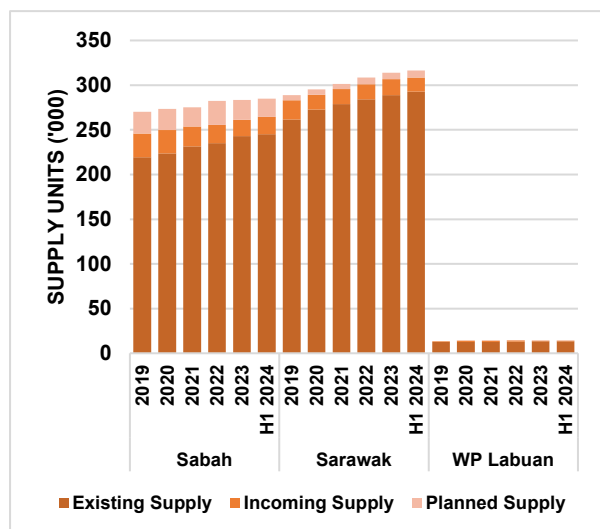
## EAST MALAYSIA'S RESIDENTIAL SECTOR FACES DECLINE, BUT STEADY PRICE GROWTH

The residential market in East Malaysia, which includes Sabah, Sarawak, and Labuan, experienced a slight slowdown in demand with decreases of -1.8%, -4.5%, and -9.2%, respectively in 2023 after a period of steady growth since 2021. This shift suggests that the residential market in East Malaysia may be signalling a shift towards a cooling market.

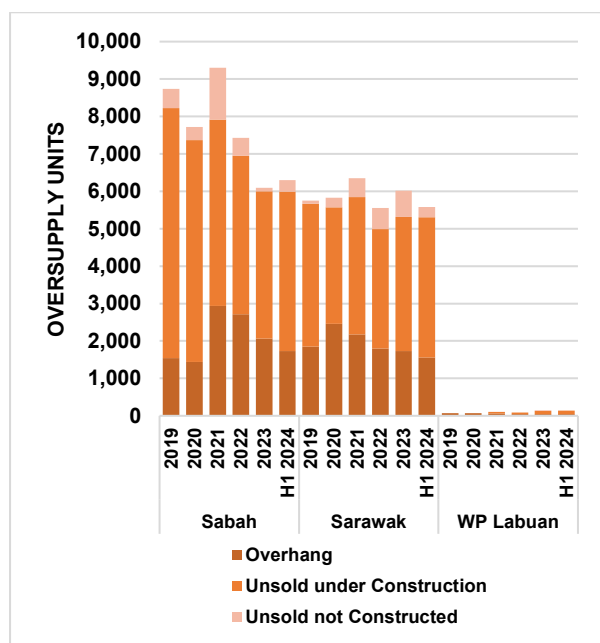


(Credit: Pictures' Owner)

### Supply of Residential Properties in East Malaysia, 2019 – H1 2024



### Oversupply of Residential Properties in East Malaysia, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

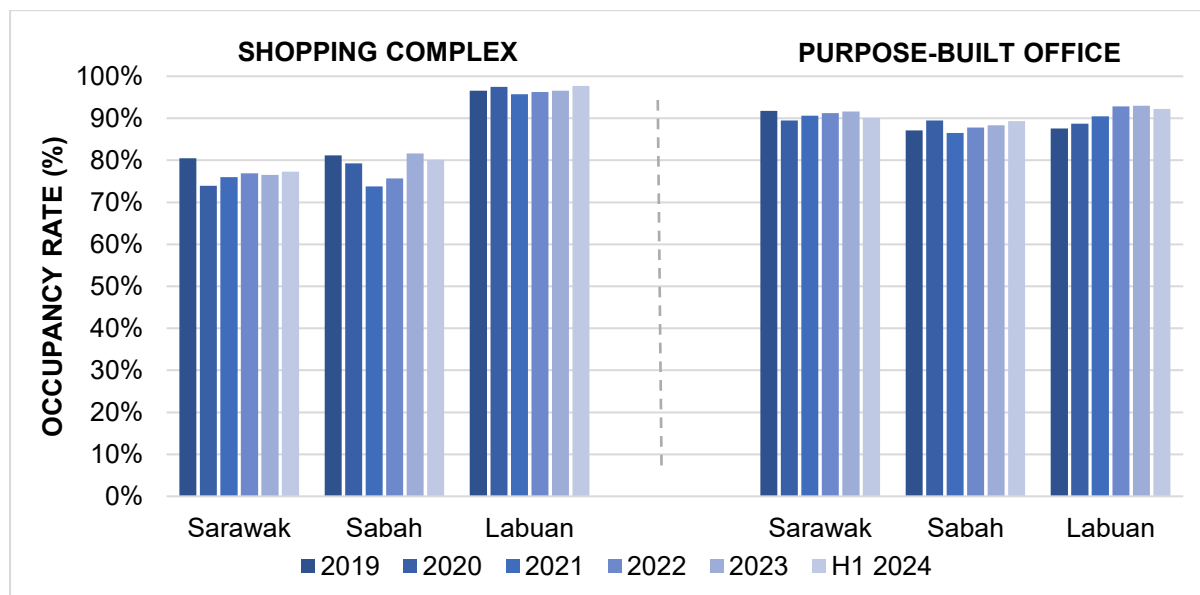
Labuan recorded the largest decrease in incoming supply at -19.1%, followed by Sabah with an 11.1% drop, indicating potential caution among developers in response to shifting demand. In contrast, Sarawak's incoming supply rose by 5.1%, possibly driven by continued developer confidence in localized demand within the state.

Meanwhile, the overhang situation also presented varying trends across the region. Sarawak faced an 8.3% increase in overhang units, suggesting potential challenges in inventory absorption. In contrast, Sabah showed significant improvement, with overhang units decreasing by -17.9%, reflecting stronger market absorption and a healthier balance between supply and demand.

Sarawak's House Price Index (HPI) remained the highest in East Malaysia, reaching 205.8 in 2023, continuing a steady upward trend since 2020. Sabah's HPI, though consistently lower than Sarawak's, has also shown gradual increases, reaching approximately 197.2 in 2023. Data for the first half of 2024 indicates that both states are maintaining their respective trends, with Sarawak's HPI at slightly above 204.2 and Sabah's close to 200.7. These HPI trends suggest stable property value appreciation in both states, with Sarawak's growth potentially driven by sustained demand and limited supply, while Sabah's more gradual rise reflects a balanced but growing market.

## COMMERCIAL MARKET

## Occupancy Rates of East Malaysia Commercial Properties, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

### LABUAN LEADS OCCUPANCY GROWTH, SABAH AND SARAWAK SEE MIXED TRENDS

The retail market in East Malaysia has shown varied performance across its key states, with Labuan standing out for its impressive growth in occupancy rates. The occupancy rate in Labuan rose to 97.7% in the first half of 2024, up from 96.6% in 2023, highlighting a strong demand for retail spaces. This is partly attributed to Labuan's unique position as a hub for offshore financial services, which supports retail activity in the area despite the limited retail space availability. As a result, Labuan also boasts the lowest vacancy rates for shopping complexes in East Malaysia.

In contrast, Sarawak has experienced a steady improvement, with its occupancy rate rising to 77.3% in H1 2024 from 76.5% in 2023. This signals a positive trend in the region, driven by steady retail demand, particularly in prime

areas like Kuching. Meanwhile, Sabah saw a slight dip in its occupancy rate, falling to 80.1% in H1 2024 from 81.6% in the previous year. While still maintaining a healthy occupancy rate, the slight decline may point to the need for a more diversified retail offering to match evolving consumer preferences.

Rental rates for retail spaces in East Malaysia remain highest in Kota Kinabalu, Sabah, with prime retail spaces ranging between RM 3.00 and RM 39.00 per square foot per month, particularly in prominent malls like City Mall. Sarawak follows closely, with the highest retail rents found in Kuching's The Spring Mall, reflecting the city's strong retail market performance. However, despite Labuan's limited retail space, its strong occupancy suggests that the market for prime retail properties in these areas is competitive and stable.

Overall, while Sabah faces some challenges with declining occupancy, the retail markets in Labuan and Sarawak continue to show resilience, and the region’s retail landscape remains promising. With steady demand for

retail space in prime locations, East Malaysia’s retail market is expected to maintain moderate growth, driven by local economic factors, improved infrastructure, and evolving consumer behaviour.

Key Rental Trends for Shopping Complexes in East Malaysia, 2024

Shopping Complex	GFA (sq ft)	NLA (sq ft)	Rental Min PSF/Month	Rental Max PSF/Month
Vivacity Megamall	1,300,000	850,000	RM 18.00	RM 26.00
Centre Point Sabah	n/a	n/a	RM 10.00	RM 19.00
City Mall Kota Kinabalu	n/a	n/a	RM 6.00	RM 13.00
Paragon Labuan	n/a	n/a	RM 3.00	RM 12.00

(Source: NAPIC, RHIZP Research)

EAST MALAYSIA OFFICE MARKET: STABILITY AMID SLIGHT SHIFTS IN OCCUPANCY

The office market in East Malaysia has shown steady performance in H1 2024, with Labuan continuing to lead in occupancy rates. Labuan’s prime office spaces maintained a high occupancy rate of 92.2%, despite a slight decline from 93% in 2023. This suggests a sustained demand for office spaces, driven by Labuan’s status as an offshore financial hub.

In Sabah, Kota Kinabalu experienced a modest increase in its occupancy rate, reaching 89.3% in H1 2024, up from 88.3% in 2023. This improvement highlights growing confidence in the region’s office market, likely supported by the city’s status as a key commercial and administrative center in the state. However, Sarawak’s occupancy rate remained slightly lower at 90.1%, experiencing a slight decline from 91.6% in 2023, indicating a more balanced market with moderate demand.

Rental rates for purpose-built offices in East Malaysia have generally remained stable, reflecting a cautious but consistent market sentiment. In Labuan, prime office spaces in the central town area are available with rental rates ranging from RM 2.00 to RM 4.50 per square foot per month. In Kota Kinabalu, Sabah, rental rates for prime locations range from RM 1.00 to RM 7.00 per square foot per month, demonstrating the city’s appeal to both local businesses and international companies. Meanwhile, Sarawak, particularly Kuching, continues to offer some of the most affordable office space in East Malaysia, with rates ranging from RM 0.60 to RM 4.00 per square foot per month in prime areas.

Despite minor fluctuations in occupancy rates, East Malaysia’s office market is characterized by overall stability, reflecting a moderate yet steady demand for office spaces across the region.

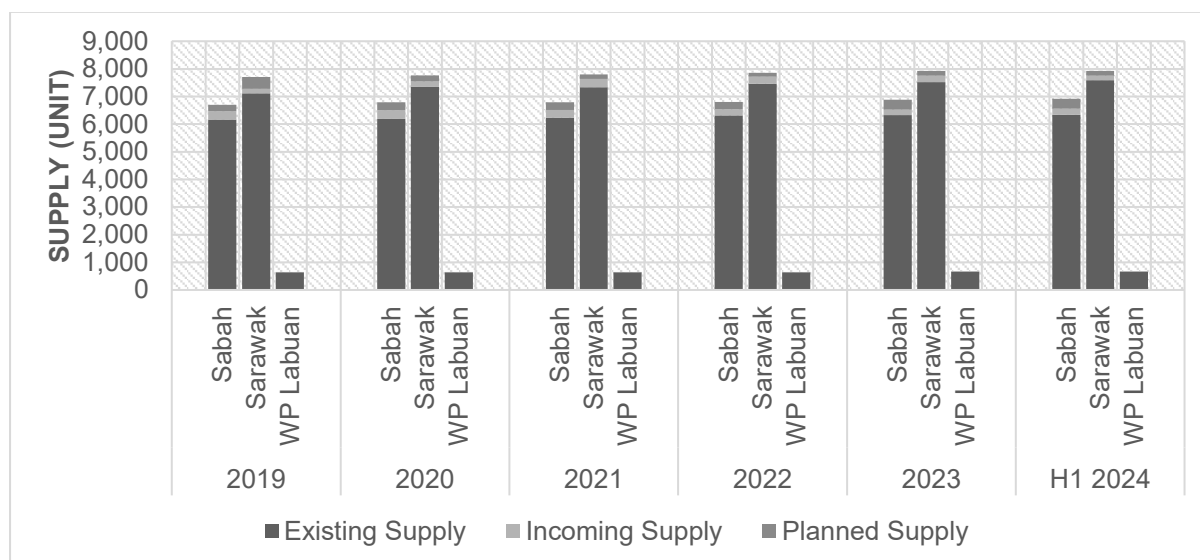
**Key Rental Trends for Purpose-Built Offices (PBO) in East Malaysia, 2024**

PBO	Location	Rental Min PSF/Month	Rental Max PSF/Month
Centre Point	Kota Kinabalu	RM 2.00	RM 10.00
Menara MAA	Kota Kinabalu	RM 2.00	RM 3.00
Wisma Tun Jugah	Kuching	RM 2.00	RM 6.00
Main Tower Kompleks Ujana	Labuan	RM 3.00	RM 4.00

(Source: NAPIC, RHIZP Research)

## INDUSTRIAL MARKET

## Supply of Industrial Properties in East Malaysia, 2019 – H1 2024



(Source: NAPIC, RHIZP Research)

### STEADY GROWTH AND STRATEGIC INVESTMENT: THE OUTLOOK FOR EAST MALAYSIA'S INDUSTRIAL MARKET

Sarawak focuses on its natural resources such as the processing of timber and oil palm plantations that require huge space buildings for manufacturing products. The state offers wide coverage of electricity that can supply massive developments with huge electrical usage to run the manufacturing buildings.

Meanwhile, Sabah and Labuan has shown resilience, with both regions maintaining steady growth despite broader market challenges. Sabah, with its strategic location in East Malaysia and proximity to key ports, continues to attract significant interest in its industrial sector.

In Sabah, the growing demand for logistics and distribution centers remains a key driver, spurred by increased trade activity and the state's position as a gateway for goods entering

and leaving East Malaysia. The continued development of Sabah's industrial parks, such as those in the Kota Kinabalu Industrial Park (KKIP), has also contributed to the region's appeal, attracting both local and foreign investors. While there has been no dramatic surge in large-scale industrial transactions, the market remains healthy, with steady demand for warehousing and light manufacturing facilities.

Labuan, on the other hand, continues to benefit from its status as an offshore financial hub, attracting demand for specialized industrial spaces such as warehousing for financial and trade-related activities. Labuan's industrial market is comparatively smaller but remains significant due to the region's role in facilitating cross-border trade. The island's strategic location, coupled with a business-friendly regulatory environment, positions it well for long-term growth in sectors such as logistics, warehousing, and light manufacturing.

**Notable Industrial Transactions, 2024**

No.	Location	Seller	Buyer	Consideration	Remarks
1.	Bintulu, Sarawak.	Teju Logistics Sdn Bhd	KIP REIT	RM 28.7 mil	<ul style="list-style-type: none"> <li>A processing plant sited on 9.7 acres of leasehold land with net lettable area of 207,315 sq ft.</li> <li>For leasing purpose.</li> </ul>
2.	Tanjung Manis, Mukah, Sarawak.	Saragreen Sdn Bhd  Pantas Marine	TAS Offshore Bhd  (via subs. Pantas Marine Sdn Bhd)	RM 12.0 mil	<ul style="list-style-type: none"> <li>14.37 hectares of land.</li> <li>To expand shipyard business.</li> </ul>
3.	Kuching, Sarawak.	Land and Survey Department of Sarawak.	Sarawak Consolidated Industries Bhd (SCIB)	RM 21.62 mil	<ul style="list-style-type: none"> <li>Leasehold plots in Demak Laut Industrial Park measuring 8.85 hectares.</li> <li>To expand its production capacity.</li> </ul>

*(Source: News Compilation, RHIZP Research)*

## LEISURE MARKET

### STEADY GROWTH AND EVOLVING DEMAND

The three states Sabah, Sarawak, and Labuan, continues to emerge as a prominent destination for both domestic and international tourists. In 2023, the region saw a marked increase in tourist arrivals, driven by the unique offerings of its natural landscapes, cultural heritage, and eco-tourism experiences. With Malaysia's East Coast becoming an increasingly popular hub for adventure, relaxation, and cultural exploration, the leisure market is expected to sustain its positive growth.

Sabah, known for its stunning natural beauty, including Mount Kinabalu, the world-renowned islands of Sipadan, and pristine beaches, remains a key player in the region's tourism landscape. The state's nature-based tourism continues to attract international visitors, especially those seeking outdoor adventure and marine activities. Labuan, with its status as a financial hub and vibrant dive tourism scene, has also recorded a steady influx of visitors, drawn to its tax-free benefits and extensive underwater biodiversity.

Sarawak, on the other hand, is benefiting from a steady rise in eco-tourism and cultural tourism, particularly through iconic attractions like the Mulu Caves, Bako National Park, and the Sarawak Cultural Village. The region's rich indigenous heritage, alongside increasing international recognition as an eco-tourism destination, has positioned Sarawak as a rising star in East Malaysia's leisure market.

The increase in both domestic tourism and regional arrivals, especially from neighbouring ASEAN countries, will likely continue to shape East Malaysia as a diverse and dynamic travel hub.

In summary, East Malaysia's tourism and leisure market shows resilience, evolving to meet shifting consumer preferences for eco-tourism, culture, and adventure. With continued investment in infrastructure and marketing, the region is well-positioned to maintain its growth trajectory and attract a steady stream of tourists in the years to come.



# **PROPERTY MARKET OUTLOOK**

# Malaysia Property Market Outlook for 2025

As Malaysia continues to recover from the economic impacts of the pandemic, the property market is poised for further growth in 2025. With a strong emphasis on sustainability, urban development, and infrastructure improvements, the Malaysian property sector is expected to thrive in both residential and commercial spaces. The outlook for 2025 is shaped by several factors, including government initiatives, economic recovery, and significant state-level developments.

## Key National Trends:

- Sustainable Development:** The shift towards eco-friendly and sustainable properties continues to influence the market. Developers are increasingly focusing on green buildings, energy-efficient solutions, and smart homes.
- Interest Rate Stability:** Bank Negara Malaysia (BNM) is expected to maintain an accommodative monetary policy with the Overnight Policy Rate remained at 3.0% throughout 2025, keeping interest rates stable to encourage homeownership and business investment.
- Urbanization & Infrastructure Growth:** As Malaysia's urbanization rate increases, there will be continued demand for residential properties in cities, while improved infrastructure projects such as JS-SEZ, ECRL and etc; will open opportunities in previously underdeveloped areas.
- Government Support:** The government's focus on affordable housing and initiatives such as the Malaysia My Second Home (MM2H) program will continue to impact the market, fostering both domestic and foreign interest in the property sector.

The Malaysian property market in 2025 is set for dynamic growth, with regional disparities in demand driven by local developments, infrastructure projects, and economic factors. States like Selangor, Kuala Lumpur, Johor, and Penang will continue to lead the charge in residential and commercial developments, while other regions such as Perak, Kedah, and the East Coast states will see increased focus on sustainability, tourism, and affordable housing. With government support, infrastructure advancements, and a growing interest in green properties, the outlook for Malaysia's property market in 2025 is positive, with opportunities across both urban and rural landscapes.

The **Budget 2025** for Malaysia, announced by the government, brings several significant measures and initiatives that will directly impact the property market, offering both opportunities and challenges. The outlook for the property market in 2025 will be shaped by key factors such as affordable housing, infrastructure development, sustainability, and incentives for both buyers and developers.

**Overall Market Outlook for 2025 with Budget 2025 Influence:**

- **Affordable Housing Demand:** With the government's focus on affordable housing, there will likely be sustained growth in demand for entry-level homes in urban areas, particularly among first-time buyers. The introduction of more financing schemes and homeownership incentives will further fuel this trend.
- **Investment Opportunities:** The property investment climate will be more favourable for developers and investors due to tax incentives and a focus on green building initiatives. However, the market will remain cautious, with a strong emphasis on long-term sustainability rather than short-term speculation.
- **Infrastructure-Driven Growth:** Areas with improved connectivity due to ongoing infrastructure projects (such as the ECRL, MRT extensions, and smart city initiatives) will experience accelerated property development, especially in suburban and regional areas.
- **Sustainability and Green Building:** The property market will increasingly cater to eco-conscious buyers, with developments incorporating sustainable building practices and energy-efficient technologies. Green-certified properties will see higher demand, especially in urban hubs.
- **Luxury and Foreign Market:** High-end properties in major urban centers like Kuala Lumpur, Penang, and Johor will see continued interest from foreign investors, particularly with the government's push to enhance the MM2H program.

In conclusion, developers and investors who align with these priorities will find favourable conditions to thrive in 2025.

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Our findings and conclusions are based on the information available to us at the time of our study and our assumptions are intended to reflect the current risks and market condition. Even though this study endeavour to foresee future market trend, do take note that should any one or more of these risk or uncertainties, as highlighted in this study, materialize or should any underlying assumptions prove incorrect, the actual results may vary materially.

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