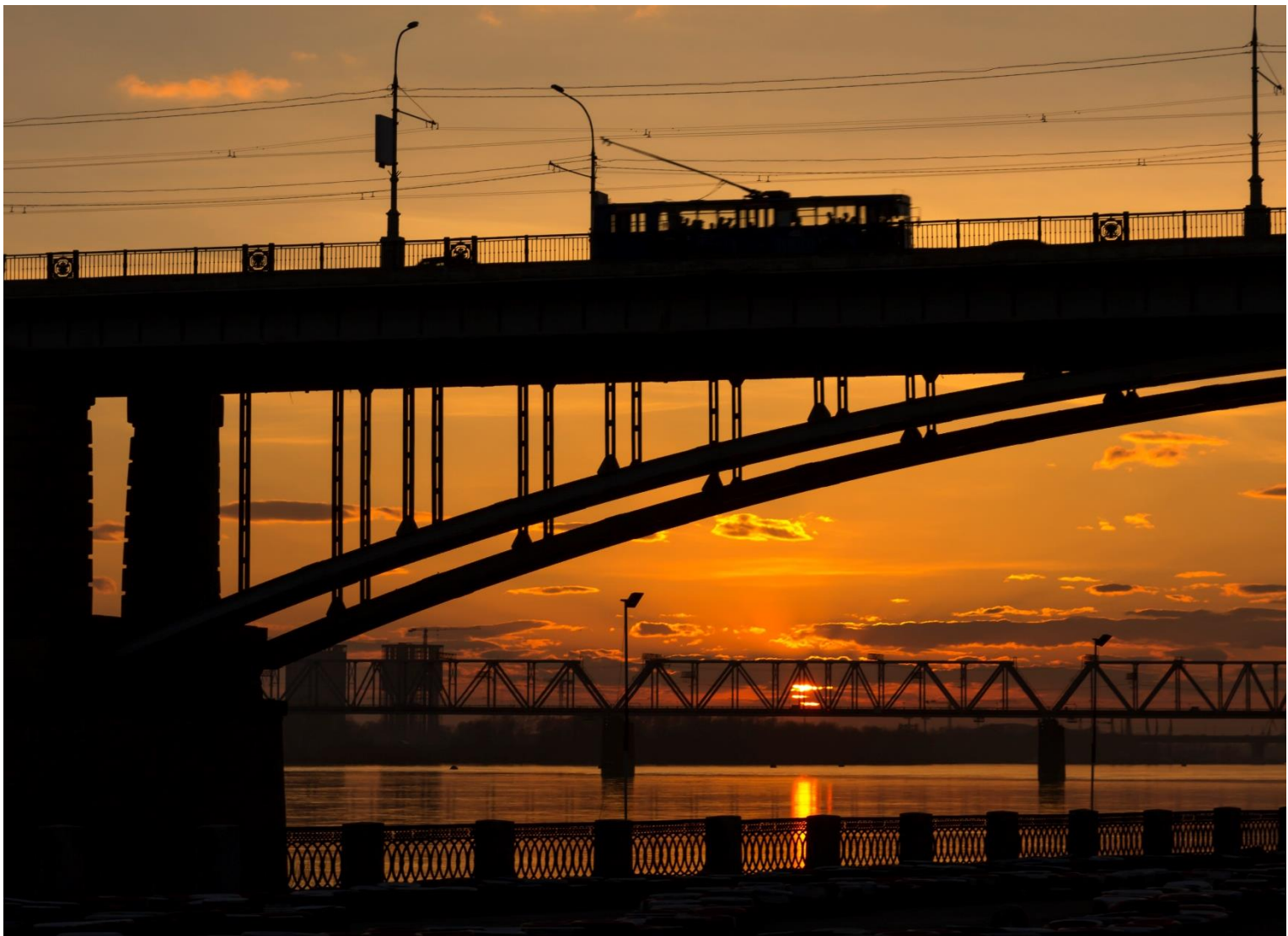




# CCO & ASSOCIATES

## PROPERTY MARKET REVIEW 2022 / 2023



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2022 has been a good year for Malaysian economy and property market. Most property developers in the country have achieved their sales targets.

Unlike 2022, the Malaysian property market may face greater challenges in 2023, namely higher interest rates, high inflation rate, lower economic growth and lack pent-up demands.

## FOREWORDS BY SR ANNIE A. N. CHAN GROUP MANAGING DIRECTOR OF CCO & ASSOCIATES GROUP



**Sr Annie A. N. Chan**  
**(Group Managing Director)**

The Malaysian economy rebounded strongly by 8.7% in 2022 while the Malaysian property market had improved by about 29.5% in term of number of property transactions and about 23.6% in term of property transaction values. In 2022, all the property sectors had recorded increases in the number of property transactions by about 22.3% to 46.3% while the property transaction values of all property sectors increased by 16.6% to 50.5%.

All property sectors have recorded considerable improvements in 2022, particularly the hospitality property sector, which has shown vast improvements after the international border reopened on 1st April 2022. Although the purpose-built office sector and retail property sector have yet to recover to the pre-COVID 19 level, footfall in the shopping complexes have improved while workforces have gone back to the office to work.

The COVID-19's standard operating procedures (SOP) were gradually withdrawn during the first half of 2022 and all economic sectors were allowed to operate towards the second half of 2022. The Malaysian property market has benefited from the revenge spending and traveling after two years of lockdown. Foreign Direct Investments (FDI) and manufacturing activities have also shown improvements partly due to the ratification of Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement (CPTPP).

While the Malaysian economy is showing positive trend, Malaysia is still faced with various challenges locally and abroad that may derail the performances of the Malaysian property market. Due to the high inflation rate and increase in the interest rates by central banks globally, Bank Negara Malaysia (BNM) is forced to raise the Overnight Policy Rate (OPR) five (5) times in 2022 and 2023 from 1.75% to 3%. Geopolitical tensions in Ukraine as well as trade war between China and US may also affect the Malaysian economy and property market.

Malaysia is blessed to be able to form unity government despite the political impasse after the 15th General Election (GE15). With the unity government, Malaysia has managed to achieve some forms of political stability, which is highly imperative to attract FDI. The government has not implemented new mega projects under 2023 Budget but instead focusing on assisting the poor and Malaysians affected by the COVID-19.

In view of the local and global challenges, the Malaysian economy is poised to record lower growth of 4% to 4.5% in 2023. Although the growth rate is lower, it is deemed to be a commendable growth rate to sustain the Malaysian property market.

The country's economic developments as well as the government's actions and policies will determine the direction of the Malaysian property market. Hence, CCO Research will continue to monitor and update the country's economic and property market developments.

## FOREWORDS BY SR CHAN WAI SEEN CHIEF EDITOR & DIRECTOR OF CCO & ASSOCIATES GROUP



**Sr Chan Wai Seen**  
**(Chief Editor & Director)**

The Malaysian property has undergone significant changes over the past few years. Due to fiscal constraints, the government increases taxes on the affluent population, which reduces the ability of the affluent population to purchase high-end and luxurious residential properties.

In line with the government's policy to encourage home ownership amongst the Malaysians, the government has provided incentives to the first-time house buyers, particularly for residential properties priced at RM1 million and below.

We expect the Malaysian property market to continue to be driven by affordable residential properties, priced at RM500,000 and below, followed by properties priced at RM500,001 to RM1 million.

Malaysia's participation in the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Agreement (CPTPP) are crucial to further elevate the Malaysian economy. Malaysia's FDI has already shown considerable improvement after ratifying the RCEP and CPTPP. Malaysia's trades are expected to improve, further improving the Malaysian economy and employment opportunities.

Under 2023 Budget, the government has declared 2025 as the Visit Malaysia Year and has made allocations to promote the tourism sector. Allocations have also been made to improve the infrastructure in the main tourist spots in the country. More allocations will be made by the government to promote the tourism sector in future to make 2025 Visit Malaysia a success. This augurs well for the Malaysian hospitality sector.

Trade war between China and US is expected to escalate in 2023. Both countries are major trading partners of Malaysia. Maintaining harmonious and impartial relationship with both US and China is crucial to position Malaysia as a preferred investment destination amongst the investors and large corporations.

CCO & Associates Group will continue to monitor the performances of the Malaysian property market as well as the latest government's policies that may affect the Malaysian economy and property market. Specific emphasis will be given on the property auction market in view of the increase in the interest rate and the economic uncertainties due to the geopolitical tension and high inflation rate.

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**Gross Domestic Products (GDP)**

2022-1Q: 5.0%  
 2022-2Q: 8.9%  
 2022-3Q: 14.2%  
 2022-4Q: 7.0%

**Consumer Price Index (CPI)**

Oct22: 4.0%  
 Nov22: 4.0%  
 Dec22: 3.8%  
 Jan23: 3.7%

**Exchange rate to US Dollar**

Oct22: RM4.7265  
 Nov22: RM4.4750  
 Dec22: RM4.4130  
 Jan23: RM4.2475  
 Feb23: RM4.4835

**Brent Crude Oil (per barrel)**

Oct22: USD92.81  
 Nov22: USD86.97  
 Dec22: USD85.91  
 Jan23: USD85.46  
 Feb23: USD82.55

**Crude Palm Oil (per mt)**

Oct22: RM3,682  
 Nov22: RM4,088  
 Dec22: RM3,961  
 Jan23: RM3,922  
 Feb23: RM3,908

**OVERVIEW OF MALAYSIAN ECONOMY**

The Malaysian Gross Domestic Products (GDP) increased by 8.7% in 2022, a significant increase when compared to the 3.1% growth recorded in 2021. The increase was largely due to the lower base in 2021, when the country was affected by the COVID-19 pandemic and various movement control orders.

In Q4-2022, the country’s GDP increased by about 7.0%, which was lower than the 14.2% growth rate in Q3-2022. In Q2-2022 and Q1-2022, the country’s GDP increased by 5.0% and 8.9%, respectively.

The strong economic growth was largely driven by the Services and Manufacturing sectors while volatile performances were observed in the Mining & Quarrying, Agriculture and Construction sectors.

The Services sector, which is the largest economic sector in Malaysia, recorded lower growth of 8.9%, when compared to the 16.7% in Q3-2022. The Services sector recorded 12.0% and 6.5% in Q2-2022 and Q1-2022, respectively.

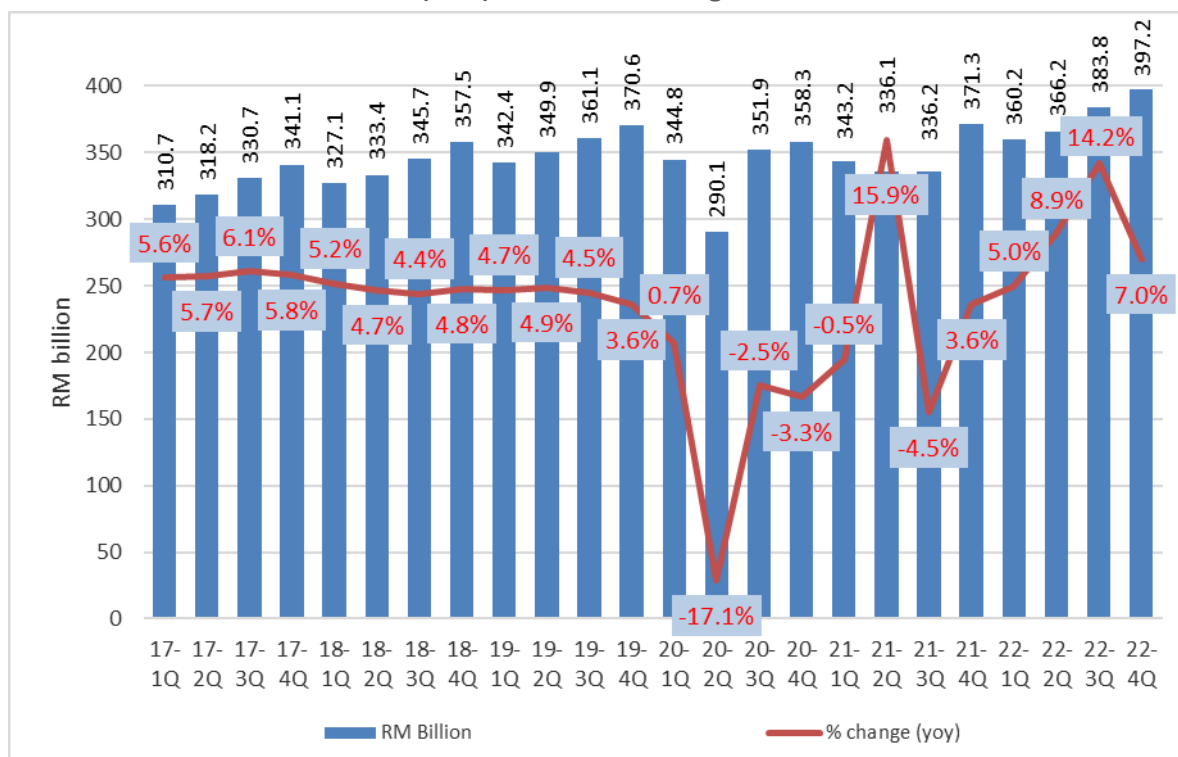
The growth in the Manufacturing sector moderated to 3.9% in Q4-2022 after recording strong rebound of 13.2% in Q3-2022. The Manufacturing sector recorded 9.2% in Q2-2022 and 6.6% in Q1-2022.

The Agriculture and Mining & Quarrying economic sectors recorded growth rates of 1.1% and 6.8% in Q4-2022 and 1.2% and 9.2% in Q3-2022. These two (2) economic sectors have recovered from the -2.4% and -0.5% growth rates recorded in Q2-2022, respectively.

The Construction sector rebounded strongly by 10.1% in Q4-2022 and 15.3% in Q3-2022 after recording meagre growths of 2.4% in Q2-2022 and -6.2% in Q1-2022.

In 2022, private sector activity was the key driver of growth, supported by private consumption and investment. The growth was driven by improving labour market conditions. The overall export growth moderated in line with the weaker external demand. The weaker export was partly offset by the resilient performance in exports of electrical & electronic products and higher tourism activities.

**Gross Domestic Products (GDP) And Annual Changes From 1Q-2017 to 4Q-2022**



Source: Bank Negara Malaysia / Department of Statistics Malaysia



The government continued with the expansionary budget for 2023, largely to stimulate economic growth by encouraging investments and assisting the low-income groups to increase or generate incomes.

Extreme weather conditions due to global warming are expected to change the ways people live and conducts businesses. Constant floods at certain locations may affect livability of the locations. The government has allocated large funds for flood mitigation projects, which are imperative to ensure the flood prone areas are still livable.

### 2023 Budget

On 24th February 2023, the finance minister of the new Unity Government, YAB Dato' Seri Anwar Ibrahim, has announced a revised 2023 Budget. The revised budget replaced the budget announced by Tengku Datuk Seri Utama Zafrul Bin Tengku Abdul Aziz, the then Finance Minister on 7th October 2022.

The theme of the revised 2023 Budget is Building Malaysia MADANI and has twelve (12) main thrusts based on the following three (3) pillars:

- ✓ Inclusive and sustainable economic growth.
- ✓ Institutional reforms and good governance to restore confidence.
- ✓ Social justice to bridge inequality.

2023 Budget focuses on managing the government debts, reducing wastages and increasing the revenue collection. The government also continues to encourage home ownership amongst the first-time house buyers.

The following highlights some of the key measures introduced by the government that will impact on Malaysian economy and the property market.

#### Fiscal sustainability

- ✓ Total revenue collection of RM291.5 billion.
- ✓ Total allocation of RM388.1 billion (Operating expenditure: RM289.1 billion and Development expenditure: RM99 billion including RM2 billion contingency reserves).
- ✓ Projected Malaysia GDP growth of 4.5% in 2023.
- ✓ Fiscal deficit is projected to decline to 5% of GDP in 2023 compared to 5.6% in 2022. The fiscal deficit is targeted to further reduce to 3.2% of GDP in 2025.

#### Fulfilling the Rakyat's economic needs

- ✓ Income tax rate reduction of 2% for taxable income brackets from RM35,001 to RM100,000.
- ✓ Build and upgrade MyKiosk@KPKT stalls and kiosks across the country.

- ✓ Micro, Small, Medium & Enterprises (MSME)'s rate on taxable income for the first RM150,000 will be reduced from 17% to 15%.
- ✓ Upgrade MARA's business premises and facilities as well as increasing the number of businesses (project cost RM5 million).
- ✓ MARA's Program Transformasi Premis Usahawan Luar Bandar (TREND) (project cost RM32.8 million).
- ✓ Provide strategic business space for SME entrepreneurs and hawkers under the Malaysia Entrepreneur Hub Program by UDA (RM30 million).
- ✓ Upgrade food courts, markets and tamu market under the supervision of Pusat Berkuasa Tempatan (PBTs) nationwide (RM28.6 million).
- ✓ Business premises under Dewan Bandaraya Kuala Lumpur (DBKL) (RM30 million).
- ✓ Provide various Micro, Small & Medium Enterprises (MSME) financing facilities including direct loans, alternative financing and guarantees (RM40 billion)
- ✓ The government will contribute RM500 to EPF members aged between 40- to 54-year-old with EPF savings of less than RM10,000.

#### Facing disasters

The extreme weather condition has caused floods, landslides, etc. to affect various parts in the country, particularly low-lying areas and areas with poor drainage systems. Amongst the projects that have been proposed are as follows:

- ✓ Out of RM15 billion approved for flood mitigation, RM2 billion is expected to be saved after cancelling the approval of direct negotiation. Six flood mitigation projects will be re-tendered no later than June 2023. Amongst the projects that have been proposed are as follows:
  - Flood mitigation plan in Sungai Johor, Kota Tinggi, Johor
  - Construction of a dual-purpose reservoir project for flood mitigation and raw water supply in Sungai Rasau and Sungai Klang, Selangor
  - Integrated River Basin Development of Golok River Phase 3, Kelantan.

ESG (Environmental, Social and Governance) awareness is expected to increase, however, the lack of understanding and clarity over ESG is preventing the business community from adopting the ESG efficiently.

Continuing taxing the affluent population may undermine the attractiveness of Malaysia as an international investment destination as these taxes may deter skilled foreign workers from working in Malaysia. When the government's fiscal position improves, the high taxation rate needs to be removed to attract investments and attract skilled workers to work in Malaysia.

### Green initiatives

The government is introducing various green initiatives such as follows:

- ✓ Putrajaya Green City initiative through waste separation and recycling initiatives to catalyze circular economy (RM30 million).
- ✓ Financing facility for high tech & green facility and low carbon transition facility.
- ✓ Solar panels installation at government and commercial facilities by 2024.
- ✓ 500 units of EV charging facilities throughout the country.
- ✓ Various tax incentives to support EV adoption.

### **Achieving high impact investments**

The government proposes various initiatives to attract high impact investments through Invest Malaysia Council, National Committee on Investment (NCI) and PEMUDAH. The government is proposing establishment of the New Industrial Master Plan (NIMP) 2030.

- ✓ Tun Razak Exchange (TRX) as Malaysia's global financial hub.
- ✓ Special Financial Zone in Iskandar Malaysia with a competitive incentive package.
- ✓ Development support of Sanglang Port, Perlis and build new coastal erosion structures between Kuala Sanglang, Perlis to Kuala Jerlun in Kubang Pasu, Kedah.
- ✓ Development of the main port on Pulau Carey, Klang by private sector.

### **Empowering Public-Private Partnership**

#### Programs to boost the Tourism sector.

- ✓ Allocation to promote tourism sector.
- ✓ Matching grant of up to RM115 million to collaborate with the tourism and culture industry.
- ✓ Malaysia Airport Holdings Berhad and international airlines collaborative efforts to promote chartered flights to Malaysia (RM40 million)
- ✓ The government has proposed the following infrastructure projects to reduce traffic congestion at tourist destinations:

- Upgrade Jalan Tun Hamzah up to the intersection of Semabok Lebu AMJ Central Melaka District (project cost of RM300 million).
- Build Sungai Sepang road and bridge to connect Bukit Pelandok, Port Dickson and Sungai Pelek, Sepang (project cost of RM160 million).
- Improve the highway network facilities to Pengerang by constructing an overtaking lane on the Senai Desaru Expressway.
- Upgrading project of North-South Highway at Senai Utara-Sedenak, Johor Bahru from 4 to 6 lanes (project costs of RM525 million).

### **Increase tax collection on the affluent Rakyat**

- ✓ Introduce a Luxury Goods Tax in 2023 with a certain limit according to the type of luxury goods such as luxury watches and luxury fashion items.
- ✓ Individuals earning between RM100,000 to RM1 million will be subject to a tax rate increase ranging from 0.5% to 2%.

### **Ensuring harmony and unity**

#### Development of Sabah and Sarawak

- ✓ Accelerate the implementation of Sabah Pan Borneo highway and Sarawak-Sabah Link Road (RM20 billion).
- ✓ Develop cities bordering Kalimantan, Indonesia (RM1 billion).

### **Providing quality basic amenities**

#### Transaction sector

- ✓ Introduction of MYBAS50 Unlimited Travel Pass to benefit the Rakyat of Johor Bahru who use the stage bus service under the Stage Bus Service Transformation Program (SBST).
- ✓ Expand the implementation of the SBST Program including Malacca town, Kuching, Kota Kinabalu and Kuala Terengganu (Phase 2 (Phase 150 million).
- ✓ Review the details and costs of the Mass Rapid Transit 3 (MRT3) project.
- ✓ New ferry between Pekan Pengkalan Kubor dan Pekan Takbai, Narathiwat, Thailand (RM9 million).



The political situation in Malaysia has stabilized with the setting up of the unity government after the political impasse due to 15th General Election (GE15). The 2023 Budget has also been delayed due to change of government after GE15.

The unemployment situation in Malaysia continued to show improvement albeit at lower reduction rate. The country's unemployment has yet to recover to the pre COVID-19 level.

### Housing sector

- ✓ Public Housing Maintenance
- ✓ Stamp duty exemption for first-time home ownership
  - Full stamp duty exemption for houses valued at RM500,000 and below until the end of 2025.
  - The stamp duty exemption rate will be increased from 50% to 75% for houses valued from RM500,001 to RM1 million until 31 December 2023.
- ✓ Rakyat Housing Program and Rakyat Rental Housing Program (RM389.5 million).
- ✓ Mesra Rakyat Housing Program (RM358 million)
- ✓ Malaysia Public Housing Project (RM463 million) - construction of 23 thousand units
- ✓ Renovate rural houses (RM460.2 million).
- ✓ Duty stamp on the instruments of transfer of property be fully exempted, limited to the first RM1 million of the property's value and given 50% remission on the stamp duty imposed. For instrument of transfer of property executed from 1 April 2023.
- ✓ Syarikat Jaminan Kredit Perumahan (SJKP) - The value of the guarantee is increased up to RM5 billion.

In the 2023 Budget, the unity government has emphasized inclusive and sustainable economic growth and adopt good governance to restore confidence in institutions. The government continued to provide financial relief to the needy Rakyat, namely B40 and M40 groups. At the same time, the government also creates employment opportunities through various incentives and attracting new investments in the country.

Due to fiscal constraint, the government is forced to increase tax collection on the affluent population (T20), which may affect their spending powers.

In 2023 Budget, the government continues to provide incentives to the first-time house buyers targeting properties priced at RM500,000 and below as well as properties priced between RM500,000 and RM1 million.

### Political situation

Due to the political uncertainties, 15th General Election (GE15), a snap election was held on 19th November 2022 after the parliament was dissolved on 10th October 2022. The political uncertainties remained after the GE15 shows impasse results.

Intervention by the Yang di-Pertuan Agong has led to the setting up of the unity government led by Dato' Seri Anwar Ibrahim. Thus far, the Malaysian political landscape has stabilized, partly attributed to the implementation of the anti-hopping law, which took effect on 5th October 2022.

In Sabah, where the anti-hopping law is yet to be passed at the state assembly, has been embroiled in another political crisis after GE15 when UMNO pulled out from the GRS-led state government. Chief Minister Hajiji Noor managed to hold on to the chief minister post when Pakatan Harapan (PH) and several UMNO assemblymen supported the chief minister.

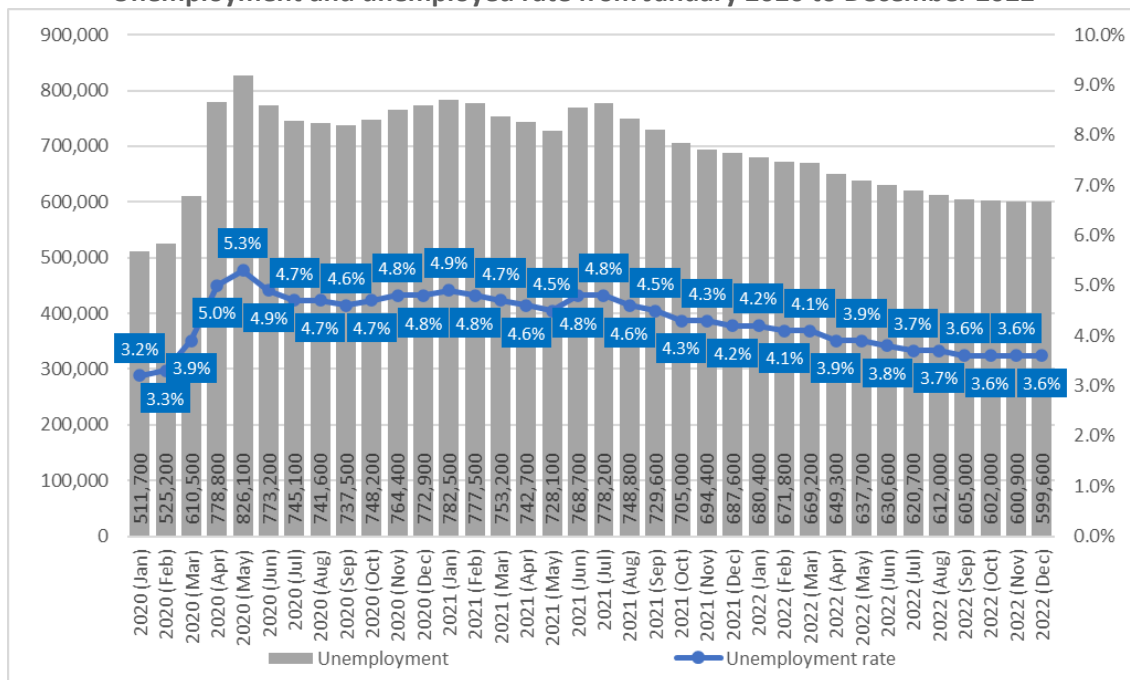
### Unemployment

In 2022, the unemployment rate in the country continued to trend downward. The unemployment rate in the country has stabilized at around 3.6% from September 2022 to December 2022. The number of unemployment labour stood at 599.6 thousand as of December 2022, reduced by about 12.8% when compared to the 687.6 thousand unemployed labour in December 2021.

The reduction of unemployment was spurred by the improved economic activities attributed to the opening of the economic sectors in the country. In spite of the reduction, the prevailing unemployment rate is still higher than the pre-COVID-19 level, which ranges from 3% to 3.3% and around 500 thousand unemployed labour.

The following shows the unemployment rate and number of unemployment persons in Malaysia from 2020 to December 2022.

Unemployment and unemployed rate from January 2020 to December 2022



Source: Department Of Statistics Malaysia (DOSM)

Increase in the interest rate may negatively affect the Malaysian economy including the property market. High inflation rate, increase in the interest rate by US and outflow of fund may prompt government to further increase the interest rates.

### Consumer Price Index (CPI)

In line with the global trend, Malaysia continued to experience high inflation rate. In 2022, the country’s CPI increased by about 3.3%, which was considerably higher than the 2.5% increase recorded in 2021. The CPI recorded the highest year-on-year increase in August 2022 at 4.7% before slowing down to 3.8% and 3.7% in December 2022 and January 2023, respectively.

Although the chain supply is recovering gradually, the prolonged war between Russia and Ukraine, has caused high-inflation regime to persist globally. Malaysia, which is highly exposed to global trades, will not be spared by the global inflationary pressures. The Ukraine war, which started in February 2022, has persisted to over a year and is not expected to end soon.

Malaysia’s headline and core inflation are expected to moderate but remain at elevated. The CPI is expected to moderate to between 2.5% to 3.3% in 2023. Existing price control as well as fuel subsidies will continue to partly contain the extend of upward pressures to inflation.

### Interest rates

Bank Negara Malaysia (BNM) had adopted the lowest Overnight Policy Rate (OPR) at 1.75% since the outbreak of COVID-19. In line with the economic recovery in Malaysia, inflationary pressure and increase in the US interest rates, BNM has imposed the following five (5) increases since May 2022.

- 1) 0.25% increase to 2.00% on 11 May 2022
- 2) 0.25% increase to 2.25% on 6 July 2022
- 3) 0.25% increase to 2.50% on 8 Sept 2022
- 4) 0.25% increase to 2.75% on 3 Nov 2022
- 5) 0.25% increase to 3.00% on 3 May 2023

While increase in the interest rate is crucial to stem inflationary pressure and reduce net capital outflow, large increases will affect the country’s economic performances and spending power of the Malaysians due to increase in the loan repayment instalments.

During the Monetary Policy Committee meeting on 3rd May 2023, BNM increased the OPR to 3%, the same rate before the country was affected by the COVID-19 pandemic. The increase was attributed to the high inflation and interest rate increase by US Fed.

2023 Budget has not introduced any new mega infrastructure projects largely due to the fiscal constraints faced by the government. The government is reviewing MRT3 development (also known as circle line), which is crucial to link all the public transportation systems in Klang Valley.

Completion and opening of new roads, highways or public transportation services augur well for the property market located nearby these public transportations and highways.

### Major Infrastructure Projects

Amongst the updates on key infrastructure projects that have been announced in 2022/2023 are as follows:

#### Opening of the Sungai Pulai bridge in Johor

The RM800 million Sungai Pulai bridge, which connects Gelang Patah and Tanjung Bin, was opened in February 2023. The project includes construction of a road connecting Gelang Patah in Johor Bahru and Tanjung Bin in Pontian.

#### Upgrade of Pasir Gudang Highway, Johor Bahru

The upgrade of Pasir Gudang Highway starts from the Bandar Seri Alam and Taman Rinting intersection all the way to Pasir Gudang, which is about 5.5 km. The project includes widening of the road from four lanes to six lanes, with dual carriageway.

#### Mass Rail Link 3 (MRT 3)

In the 2023 Budget announcement, the government will review the details and costs of the Mass Rapid Transit 3 (MRT3) project.

#### West Coast Expressway (WCE)

WCE Holdings Bhd, the key concessionaire of the RM7 billion WCE, announced that the company is on track to complete the project by 2024 after resolving the cashflow and land acquisition issues.

#### Kuala Terengganu bypass

Kuala Terengganu bypass, which connects Kuala Ibai and Kampung Durian Burung, has finally opened in 4Q-2022 to an estimated 70,000-plus road users. The 5.8-km road could reduce traffic congestion on the existing Jalan Persekutuan in Kuala Terengganu.

#### Damansara-Shah Alam Expressway (DASH)

The DASH was launched and opened to traffic in October 2022. The expressway is a 3-lane dual carriageway measuring 20.1-km in length from Puncak Perdana to Penchala and has 13 interchanges.

#### Phase 1 of Sungai Besi-Ulu Kelang Elevated Expressway (SUKE)

The first phase of SUKE stretches for 16.6km from the Cheras-Kajang interchange to the Bukit Antarabangsa is opened to the traffic in September 2022.

#### First phase of the Putrajaya Line

The first phase of the route from Kwasa Damansara to Kampung Baru, spanning 17.5 km, is opened in July 2022.

#### System Package 1 of the Kuching Urban Transportation System (Kuts)

A consortium comprising EPR (Kuching) Sdn Bhd, Global Rail Sdn Bhd and Mobilus Sdn Bhd has been awarded the contract for System Package 1 of Kuts project. It involves the supply of rolling stock, which is hydrogen-power Autonomous Rapid Transit (ART) vehicles, signaling and controlling system and the automatic platform gate.

#### Expressway from Gopeng to Kuala Kangsar

The construction of an alternative expressway from Gopeng to Kuala Kangsar has been approved in principle by the government however the expressway project will only be given the actual green light after the social impact and traffic study.

#### Ayer Itam-Lebuhraya Tun Dr Lim Chong Eu bypass (Package 2)

This project forms part of the Penang Transport Master Plan project and its alignment is divided into six sections and its implementation is 2% ahead in progress at 8% versus scheduled progress of 6%.

#### Bayan Lepas LRT line

Construction works on the Bayan Lepas LRT line is expected to begin in the fourth quarter of 2023, subject to the federal authorities' approval for the last segment of the line involving the location of the LRT depot on the reclaimed Penang South Islands.

The NPL of loans to purchase properties has been on the upward trend since automatic loan moratorium ended in December 2021. In spite of the increase, the overall NPL remained at 1.5%, which made up a small fraction of the overall loans to purchase properties. The increase in the interest rate may prompt the NPL to increase.

Geopolitical tensions, namely Ukraine war and potential escalation of trade war between China and US as well as uncertainties in the global economy, namely collapse of banks and global economic slowdown may adversely affect the Malaysian economy.

### Non-Performing Loans (NPL)

The NPL of property loans has continued to record an upward trend despite the opening of the economic sectors as well as international borders. In 2022, the overall NPL of property loans increased by 12.9%. The increase was lower than the 22.4% increase recorded in 2021.

The NPL of residential property loans recorded a lower increase of about 12.9% in 2022 after recording 25.1% in 2021. The NPL of non-residential property loans increased by about 12.8% in 2022 and 16.3% in 2021. Despite the increases, the overall NPL of property loans stood at about 1.5% as of January 2023.

The NPL of property loans is expected to continue to increase in 2023, however, will maintain at a manageable level in relation to the overall property loans.

The following graph shows the NPL for Property Loan from January 2017 to January 2023.

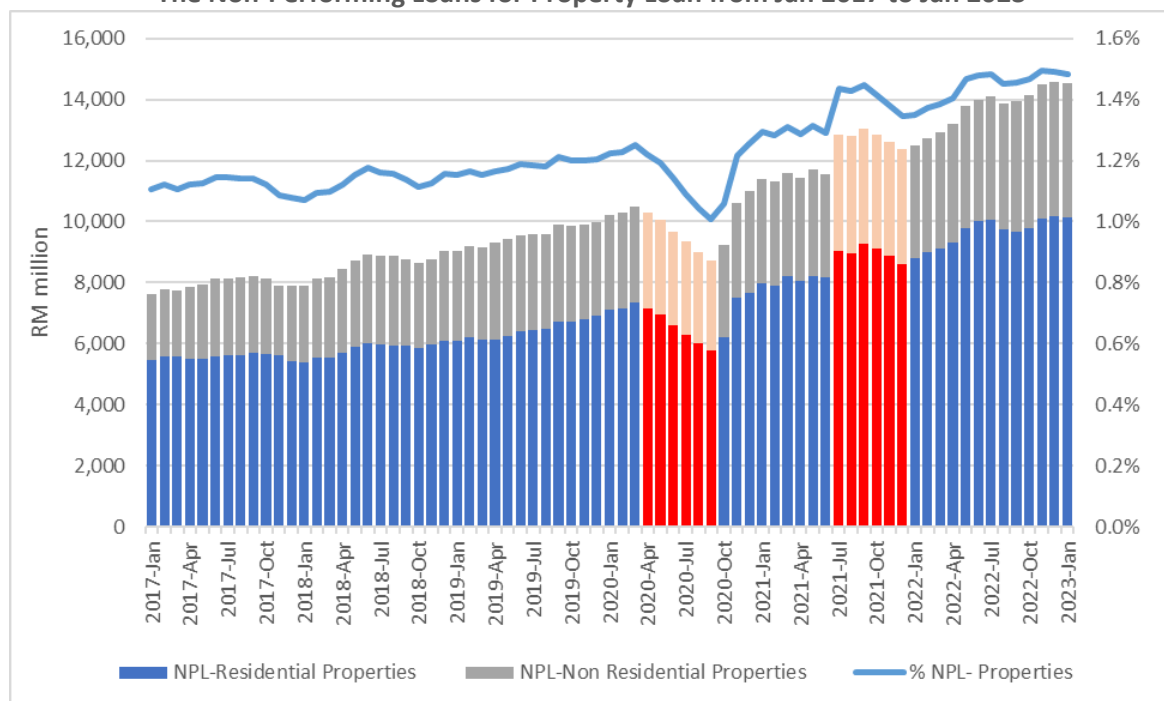
### Economic Outlook

Despite having recorded impressive GDP growth of about 8.7% in 2022, the Malaysian GDP is expected to record lower growth rate of about 4% to 4.5% in 2023. Malaysian economic performance will be affected by the slowdown in the global economy, geopolitical tension, high inflation, increasing interest rates and others.

The adverse impact of COVID-19 continued to affect the livelihood of many Malaysians, particularly the B40 and M40 groups. Due to the fiscal constraints, the government is forced to impose additional taxes on the affluent T20 groups and companies to fund the assistance to the needy groups.

2023 Budget focuses on assisting the Malaysians to pull through the challenging times by providing various assistances to the needy groups, which include creating employment and business opportunities. These measures will improve the purchasing powers of the Malaysians in the medium to long term.

The Non-Performing Loans for Property Loan from Jan 2017 to Jan 2023



Source: BNM, Department of Statistics Malaysia & CCO Research

**Note:**

% of real estate loans was derived by dividing the NPL for purchase of properties with total real estate loans in the banking system.

Bars in red show the period when the government had imposed automatic loan moratorium.

## OVERVIEW OF MALAYSIAN PROPERTY MARKET

The overall Malaysian property market has recorded positive performances in 2022, spurred by opening of economic sectors and international border as well as the pent-up demand after two years of lockdown due to COVID-19.

The five times increases in the OPR since May 2022, had not significantly affected the performances of the Malaysian property market in 2022. The impact on the interest rate increase may only be felt in 2023.

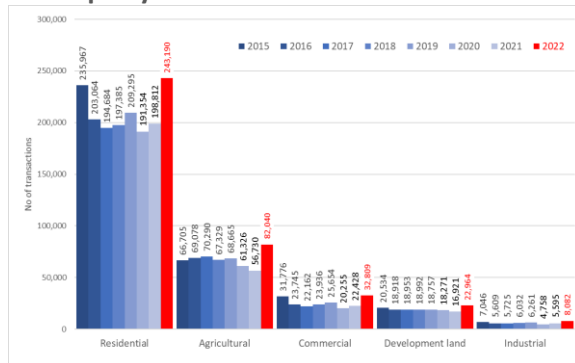
The Malaysian property market continued to show improvements in 2022 in line with the country’s economic recovery as well as opening of economic sectors (withdrawal of the COVID-19’s standard operating standards [SOP]) and international borders.

Although the government has discontinued the Home Ownership Campaign (HOC), many property developers continued to adopt aggressive market strategies and introduce various incentives to attract buyers.

The property market has also benefited from the pent-up demand and revenue spending after two (2) years of COVID-19 lockdown. Most property developers recorded strong sales in 2022.

In 2022, the overall number of property transactions in Malaysia stood at 389,107, which represented about 29.5% increase when compared to the 300,497 transactions recorded in 2021. In 2022, all property sectors have recorded increases of between 22.3% and 46.3%.

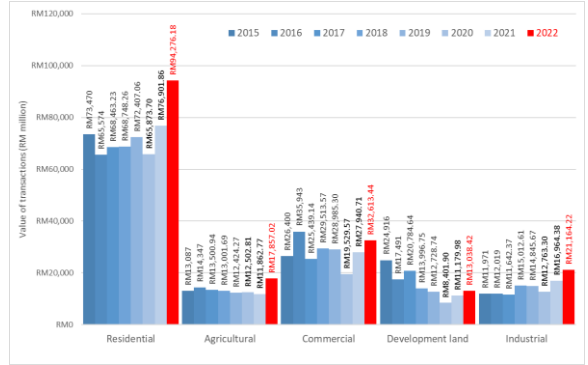
### Property transactions from 2015 to 2022



Source: NAPIC

Correspondingly, the values of property transactions in 2022 stood at RM179.1 billion, which was about 23.6% higher than the total values of property transactions in 2021 reported to be about RM144.9 billion. In 2022, all property sectors have also recorded considerable increases of between 16.6% and 50.5%.

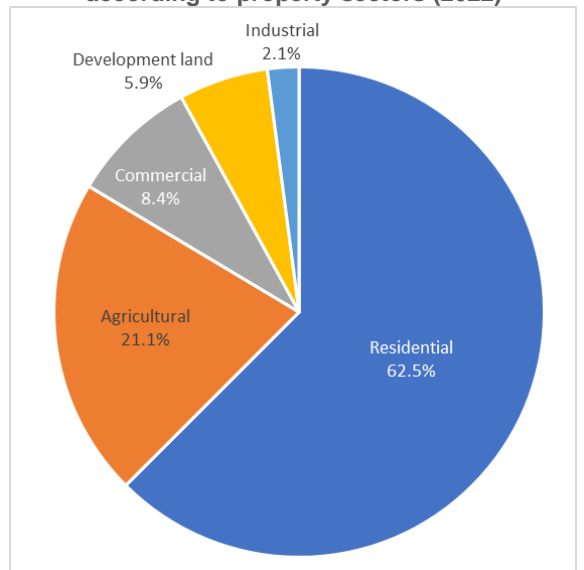
### Property transaction value from 2015 to 2022



Source: NAPIC

The residential property sector continued to dominate the Malaysian property market in 2022, consisted of 243,190 transactions or about 62.5% of the overall transactions, followed by agriculture (82,040 transactions @ 21.1%), commercial (32,809 transactions @ 8.4%), development land (22,964 transactions @ 5.9%) and industrial (8,082 transactions @ 2.1%).

### Breakdown of the property transactions according to property sectors (2022)



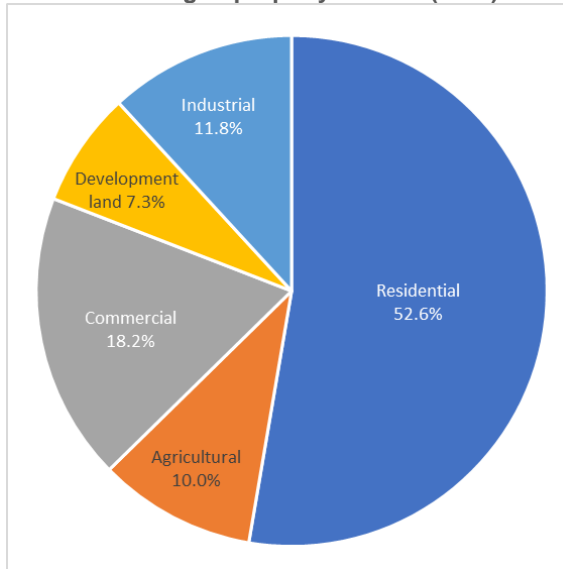
Source: NAPIC

Total residential property transaction value in 2022 stood at RM94.3 billion, which represented about 52.6% of the overall property transaction value. This was followed by commercial property transaction at RM32.6 billion (18.2%), industrial properties at RM21.2 billion (11.8%), agriculture at RM17.9 billion (10.0%) and development land at RM21.2 billion (7.3%).



Many developers have adopted aggressive marketing strategies, which include offering discounts and other incentives to dispose of the overhang properties. The economic recovery and increasing employment opportunities have also contributed to the decline in the overhang properties.

**Breakdown of the property transaction values according to property sectors (2022)**



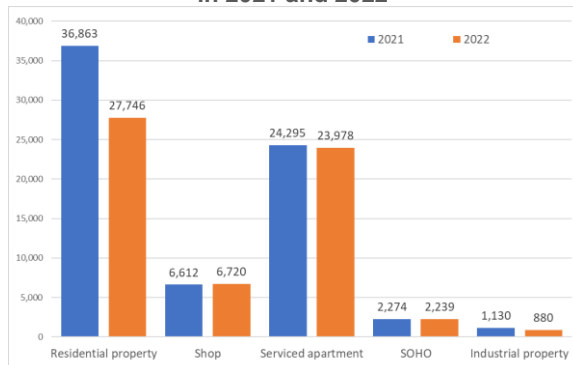
Source: NAPIC

### Malaysian Property Overhang

After recording an 11.9% increase from 63,584 units of overhang property in 2020 to 71,174 units in 2021, the number of overhang properties reduced by about 13.5% to 61,563 units in 2022. The reduction was attributed to the country’s economic recovery and improving employment opportunities.

Around 45.1% and 38.9% of the overhang properties comprised residential properties and serviced apartments, respectively. The number of overhang shops made up about 10.9% of the overall number of overhang properties while the remaining 3.6% and 1.4% comprised SOHO and industrial properties.

**Breakdown of the overhang properties by types in 2021 and 2022**

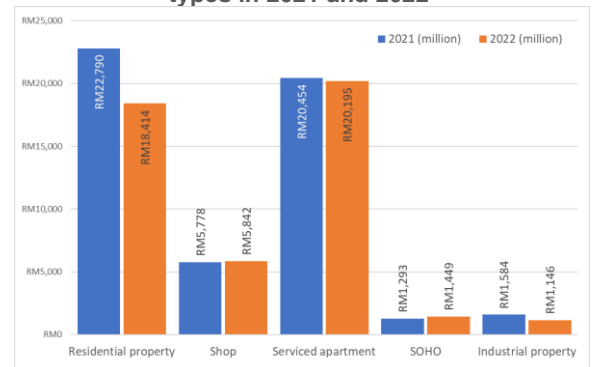


Source: NAPIC

All types of property overhang had recorded reductions in 2022 except the number of overhang shop units, which had increased marginally by about 1.6%.

The value of the overhang properties had also reduced by about 9.4% from RM51.9 billion in 2021 to RM47.1 billion in 2022. The value of overhang serviced apartments made up about 42.9% of the overall value of overhang properties, followed by residential properties (39.1%), shops (12.4%), SOHO (3.1%) and industrial properties (2.4%).

**Breakdown of the overhang property values by types in 2021 and 2022**



Source: NAPIC

The value of all types of overhang properties had reduced in 2022 except SOHO and shop. The value of the overhang SOHO units recorded a considerable increase of about 12.0% while the value of overhang shop increased by about 1.1%.

Developers of overhang properties are expected to adopt aggressive marketing strategies to dispose of the overhang properties in their projects. This will contribute to the reduction in the number of overhang properties. Positive economic growth and improving employment opportunities are expected to boost disposal of the overhang properties.

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In line with the country's economic recovery, loan approval rates by the financial institutions have improved in 2022. The high approval rate also reflected improved confidence by the financial institutions towards the Malaysian economy and property market.

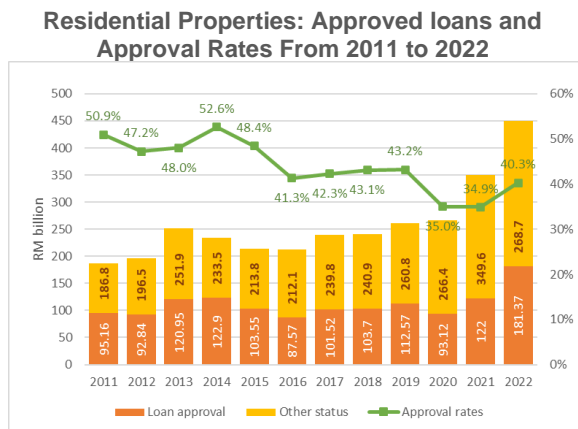
The approval rate for loan applications to purchase non-residential properties at 52.7% in 2022 has exceeded the loan approval rates prior to the COVID-19 pandemic.

### Loan Approval

In 2022, the improving economic outlook and opening of economic sectors in the country have improved the loan applications and loan approvals to purchase both the residential and non-residential properties.

The loan applications to purchase residential properties have increased by about 28.7% from RM349.6 billion in 2021 to RM450.1 billion in 2022 while loan applications to purchase non-residential properties recorded larger increase of 33.8% from RM91.5 billion in 2021 to RM122.4 billion in 2022.

The loans approved to purchase residential and non-residential properties increased by about 48.7% and 92.8%, respectively. The loans approved for purchase of residential properties increased from RM122 billion in 2021 to RM181.4 billion and from RM33.5 billion for purchase of non-residential properties.



Source: NAPIC



Source: NAPIC

The increases in the approved loans for purchases of residential and non-residential properties have translated into higher loan approval rates in 2022. The loan approval rates for purchase of residential properties improved from 34.9% in 2021 to 40.3% in 2022 while loans to purchase non-residential properties improved from 36.6% to 52.7%.

The approval rates for loans to purchase residential properties was marginally lower than pre-COVID19 levels, which ranged from 41.3% to 43.2% from 2016 to 2019 while the approval rate for the loans to purchase non-residential properties had exceeded the approval rates recorded prior to the COVID-19, to a large extent.

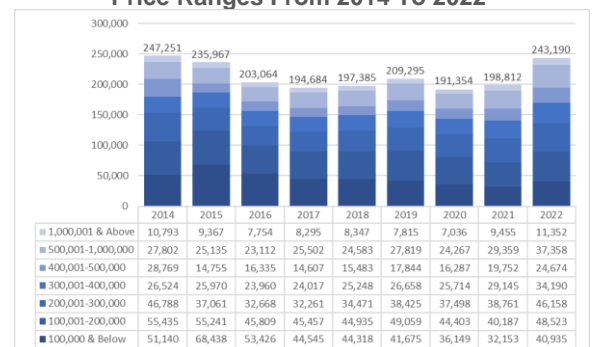
### Residential Property Sector

In 2022, the residential property sector continued to dominate the Malaysian property market, comprising 62.5% and 52.6% of the overall property transactions and property transaction values, respectively.

Despite the discontinuation of the Home Ownership Campaign (HOC) and increases in the interest rates, the residential property sector continued to show improvement. Developers continued to adopt aggressive marketing strategies to encourage sales of the projects.

Residential properties from all price ranges have recorded increases in 2022.

### Residential Property Transactions According To Price Ranges From 2014 To 2022

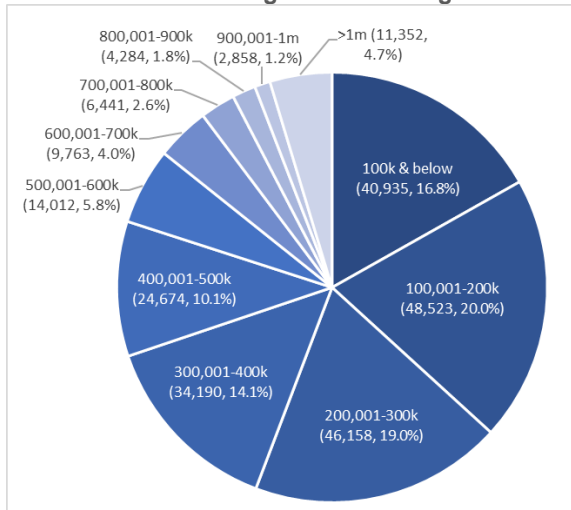


Source: NAPIC

The incentives provided under the 2023 Budget will continue to spur demand for properties priced RM500,000 and below. The additional stamp duty exemption from 50% to 70% for houses valued from RM500,001 to RM1 million may also increase the demand for properties priced below RM1 million in 2023.

Approximately 80% of the residential property transactions in 2022 comprised residential properties priced at RM500,000 and below. Residential properties priced above RM1 million made up about 4.7% of the overall residential property transactions. The remaining 15.4% comprised residential properties priced from RM500,000 up to RM1 million.

**Breakdown Of Residential Property Transactions In 2022 According To Price Categories**



Source: NAPIC

The strong performances of properties priced at RM500,000 and below and priced between RM500,000 and RM1 million were attributed to the incentives offered under 2022 Budget, including stamp duty exemption for homes priced up to RM500,000 and priced between RM500,000 and RM1 million.

Outlook

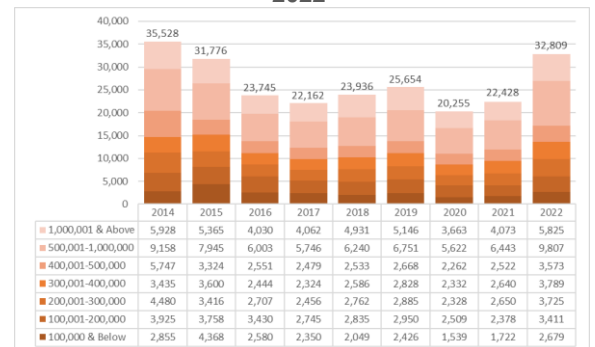
Continuation of the stamp duty exemption of 100% for first time homebuyers for homes priced up to RM500,000 and increase of the stamp duty exemption from 50% to 70% for homes priced between RM500,000 and RM1 million, will continue to drive the demand for such properties in 2023.

On the other hand, the increasing interest rates, increasing inflation as well as geopolitical tension such as Ukraine war and trade war between US and China may dampen the overall positive market sentiments for the residential property market.

**Commercial Property Sector**

The commercial property sector recorded a larger increase of 46.3% in 2022 when compared to the 10.7% increase in 2021. 32,809 commercial properties were transacted in 2022, which was considerably higher than the 22,428 commercial property transactions recorded in 2021. The improved transactions were attributed to the improved country’s economic performance and opening of economic sectors.

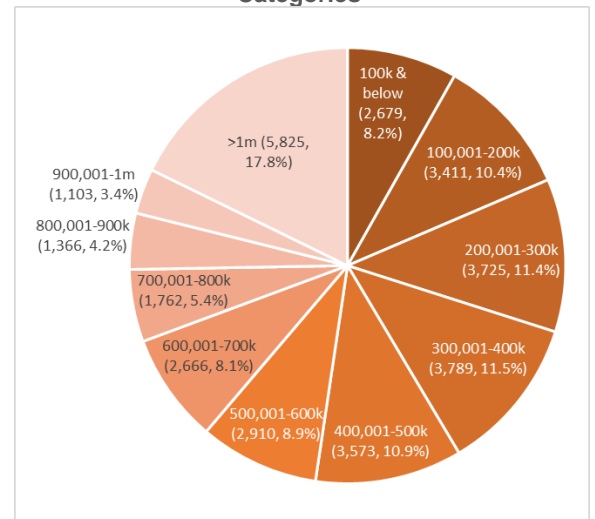
**Commercial Property Transactions From 2014 To 2022**



Source: NAPIC

Commercial properties of all pricing levels have recorded increases of between 40.6% and 55.6% in 2022 when compared to 2021. High-end commercial properties priced above RM1 million had recorded increase of about 43.0% in 2022 from 4,073 transactions in 2021 to 5,825 transactions in 2022.

**Breakdown Of Commercial Property Transactions In 2022 According To Price Categories**



Source: NAPIC

The improved foreign direct investment (FDI) as well as industrial revolution 4 (IR4) will continue to fuel the demand for industrial properties, particularly large industrial properties priced above RM1 million.

The recovery of the hospitality sector has been affected by the labour shortage as many hotels and resorts were not able to be fully operational especially during the first half of 2022.

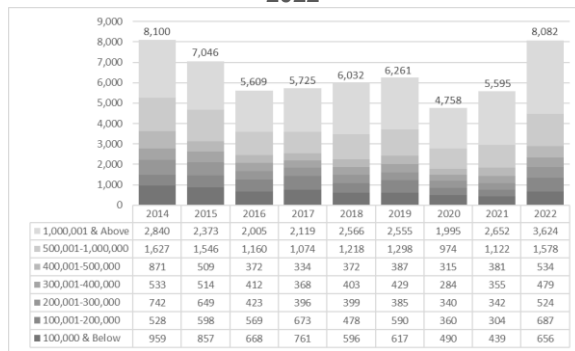
**Outlook**

The strong performances of the commercial property sector are expected to continue in 2023 spurred by the positive economic growth and recovery in the rental of commercial properties particularly the commercial properties located at prime and established commercial area.

**Industrial Property Sector**

Industrial property transactions improved by about 44.5% from 5,595 transactions in 2021 to 8,082 transactions in 2022. The increase was significantly higher than the 17.6% increase recorded in 2021. Industrial properties priced at all price levels have shown improvement in 2022.

**Industrial Property Transactions From 2014 to 2022**

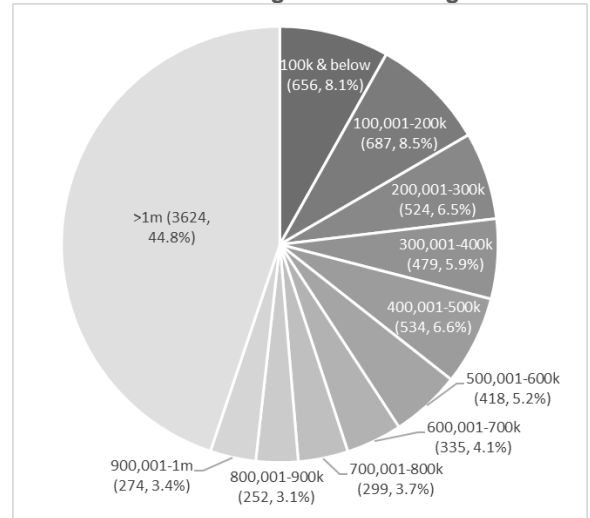


Source: NAPIC

Industrial properties priced above RM1 million continued to dominate the industrial property transactions in Malaysia. Generally, industrial factories priced at above RM1 million refer to large industrial properties such as semi-detached and detached factories and large industrial lands.

The number of industrial properties transacted above RM 1 million increased from 2,652 transactions in 2021 to 3,624 transactions in 2022, indicating an increase of approximately 36.7%. These transactions made up approximately 44.8% of the overall industrial property transactions in 2022. The proportionate was slightly lower than the 47.4% in 2021.

**Breakdown Of Industrial Property Transactions In 2022 According To Price Categories**



Source: NAPIC

**Outlook**

The industrial property market in Malaysia continued to record strong performances, attributed to the increase in the Foreign Direct Investments (FDIs), Fourth Industrial Revolution (IR4) as well as improving manufacturing activities.

Due to the favourable demand for industrial properties, particularly the large industrial properties such as semi-detached and detached factories as well as industrial lands, many new industrial projects have been introduced.

Despite the manufacturing activities and country's trade showing signs of moderating, positive outlook is observed for the industrial property market in 2023.

**Hospitality sector**

According to MyTourismData, Tourism Malaysia, the average occupancy rate of hotels in Malaysia improved to 46.6% during the first nine (9) months of 2022, which showed significant improvement compared to the 21.8% occupancy rate recorded during the same period in 2021. The occupancy rate was also higher than the 30.9% and 28.2% occupancy rates recorded during the COVID-19 pandemic in 2020 and 2021, respectively.

Notable hotels that have reopened in 2022 are as follows:

- The Granite Hotel in Penang (M Summit Hotel)
- G Hotel Penang
- Berjaya Tioman Resort in Tioman Island
- De Palma Hotel Eco Resort in Kuala Selangor
- Parkroyal Collection KL (Parkroyal KL)

More international hotel brands are opening in Malaysia:

- Le Meridien Penang Airport
- DoubleTree by Hilton Shah Alam i-City
- Hyatt Place in Bukit Jalil
- Mecure KL Glenmarie
- St Giles Southkey JB
- Sheraton Langkawi Resort & Spa
- Ascott Gurney Penang
- Ascott Star KLCC
- Marriott Executive Apartments

Although the average occupancy rate of hotels in Malaysia is expected to record over 50% for 2022, the occupancy rate is still lower than the pre-COVID-19 level, which ranged from 58% to 61%.

After the opening of the international border on 1st April 2022, many hospitality developments strived to be fully operational in line with the improved demands. Occupancy rates of hotels have improved with the return of foreign tourists and revenge traveling after the COVID-19 lockdown. However, hotel operations had been restrained by the shortage of labour. Due to improved market prospects, many developers have launched their hotel projects in 2022.

- Rackson Group has planned to open a Le Meridien Penang Airport in Bayan Lepas. Construction works are set to start in mid-2022 and will be completed by 2026.
- SKS Group has launched Fives Hotel, which is located at Jalan Wong Ah Fook at Johor Bahru city centre. The hotel was repurposed from previously Wisma LKN, a purpose-built office building.
- DoubleTree by Hilton Shah Alam i-City was opened for business in August 2022.
- M Summit 191 Executive Hotel in Penang has been rebranded to The Granite Luxury Hotel. The hotel is located along Magazine Road and was scheduled to open in the third quarter of 2022.
- Malaysia's first Hyatt Place will open its doors in Bukit Jalil in 2023. The 3-Star hotel is optimally located in Bukit Jalil and connected to Pavilion Bukit Jalil Mall.
- Mercure Kuala Lumpur Glenmarie was officially opened in August 2022. The 4-Star hotel is located at the residential and industrial enclave of Glenmarie, Shah Alam.
- Harris Sunshine Penang is set to open by late 2023 in Ayer Itam. The hotel occupies an 18-storey block in the Sunshine Central mixed development by Crimson Omega Sdn Bhd.
- IGB Bhd has unveiled St Giles Southkey Johor Bahru, which forms part of the Mid Valley Southkey in Johor Bahru. The 5-Star hotel will be managed by Cititel Hotel Management Sdn Bhd.

- Tropicana Corp Bhd is to build a 5-Star hotel known as Sheraton Langkawi Resort & Spa at Tropicana Cenang, Langkawi. Tropicana Cenang is a mixed development offering residential, hospitality and commercial components.

- G Hotel in Penang has reopened after an extensive renovation. The makeover project took about 10 months to complete, transforming common areas and facilities as well as the rooms a refreshed look.

- Accor Group launched Mercure Langkawi Pantai Cenang in Langkawi in May 2022. The hotel is just a 3-minute walk from Cenang Beach and about 10-minute drive from Langkawi International Airport.

- Berjaya Tioman Resort on Tioman Island in Pahang reopened in April 2022, following upscale renovation. The more than 50-year-old resort has been closed since June 15, 2020 for renovations to revitalize its rooms and facilities.

- Plenitude Bhd officially opened Ascott Gurney Penang in April 2022. The hotel, which was previously known as The Gurney Resort Hotel & Residences, is located along the Gurney Drive promenade.

- The former Lee Rubber Building at Jalan Tun HS Lee, will be repositioned as Else Kuala Lumpur in July 2022, a boutique hotel. Else Kuala Lumpur will also be home to two new F&B projects, namely The Raw Kitchen and The Yellow Fin Horse.

- The Ascott Ltd has opened Ascott Star KLCC Kuala Lumpur in May 2022. Alpine Return Sdn Bhd, the developer, has signed a 10-year contract to manage 298 out of the 471 serviced apartment units in Ascott Star KLCC Kuala Lumpur.

- Hap Seng Consolidated has signed with Marriott International to launch the first Marriott Executive Apartments at the intersection of Jalan Kia Peng and Jalan Stonor in Kuala Lumpur city centre. The apartment will cater to the corporate travelers' long stay lodging needs.

- Ascott Ltd is set to open its first lyf-branded co-living property in Kuala Lumpur in 2022. The property branded lyf Raja Chulan Kuala Lumpur was apparently supposed to open in 2020.



- Iyf Raja Chulan Kuala Lumpur
- Waldorf Astoria Kuala Lumpur
- Amari Eco City Kuala Lumpur

New small scale retail projects being planned in 2022 were:

- Noora Residences in Desa Park City
- Jernih Residence
- The Street, The Alley and The Plaza
- Setia EcoHill Walk
- Gurney Walk
- Megah Rise Mall

The following successful shopping centres expanded in 2022:

- Phase 2 of IOI City Mall in Putrajaya
- Extension of Sunway Carnival Mall at Seberang Jaya

- Hilton Group has signed Waldorf Astoria Kuala Lumpur, which marks the entry of the Waldorf Astoria brand into Malaysia. The hotel is scheduled to be opened in 2024. Hilton will also be debuting the Conrad brand with Conrad Kuala Lumpur, which is tentatively planned to open in 2024.
- SP Setia Berhad and ONYX Hospitality Group have introduced the new Amari Kuala Lumpur in Setia KL Eco City, Kuala Lumpur. The hotel boasts the vibrant colour of modern Thai hospitality and four dining experiences and facilities.
- 4-Star De Palma Hotel Eco Resort in Kuala Selangor, which closed its doors in October 2021 to make way for a refurbishment has reopened in March 2022.
- Parkroyal Collection Kuala Lumpur, formerly Parkroyal Kuala Lumpur, opened in the heart of Bukit Bintang in May 2022. The hotel, which was closed during COVID-19 pandemic, has undergone RM100 million refurbishment to overhaul three components, the existing tower, the annex office building, and the multi-purpose car park.

In view of the opening of international borders and all economic sectors through gradual removal of the standard operating procedures of COVID-19, many hotels have reopened in 2022 after closing for refurbishments. Occupancy rates of hotels had also improved in view of the increasing foreign tourists and revenue traveling after two years of lock-down.

#### Outlook

The Malaysian hospitality property sector is expected to continue to improve in 2023 with the anticipated increase in the foreign tourists, especially from China.

The government has introduced various allocations and measures under the 2023 Budget to stimulate the country's tourism sector. The government has also declared 2025 as the Visit Malaysia Year with extensive promotional activities to be introduced internationally to attract tourists. In view of this, active tourism sector is expected from 2023 until 2025.

Active tourism sector and positive economic growths augur well for the Malaysian hospitality property sector. Overall, positive outlook is observed for the Malaysian hospitality property sector, especially for the well managed hotels that are located at established commercial areas and popular tourist areas.

#### **Retail property sector**

The overall Malaysian retail property sector has recorded inconsequential performance in 2022 despite the country recorded strong economic rebound, opening of the economic sectors after 2-year lockdown and opening of international border in 2022. Occupancy rate of retail property market reduced to 75.4% from 76.3% in 2021 and 77.5% in 2020.

The decline in the overall occupancy rate was attributed to the increase in the retail spaces from 17.282 million square metres in 2021 to 17.508 million square metres in 2022 while the occupied retail spaces only increased by about 7.7 thousand square metres.

While the footfall of popular shopping centres has improved, the old and newly completed shopping centres continued to strive to attract shoppers and sustain the tenants. Generally, retailers remained cautious when expanding and opening new outlets.

The following highlights new retail developments that have been introduced in Malaysia in 2022.

- ParkCity Group was launching Noora Residences, which would be the first integrated development in Desa Park City. It will comprise a retail section with around 50,000 square feet of net lettable space.
- Jernih Residence by Sunway Property Berhad would feature 41 retail shops with lettable areas of 42,609 square feet.
- Gamuda Berhad was introducing The Street and The Alley, The Plaza as a platform for events and activities at Gamuda Gardens. Planned anchors included an established grocer brand, dining franchise.

The management of successful shopping centres are in a better position to secure tenants for their new shopping centre projects.

**Semua House** at Kuala Lumpur city centre is being vacated for major facelift in 2022. Old and poorly maintained shopping centres need to refurbish and reposition the old shopping centres to revive them.

- Mitsui Shopping Park Lalaport Bukit Bintang Shopping Centre was opened in January 2022. The shopping centre offers over 82,600 square metres of retail space.
  - The retail spaces in Sunway Carnival Mall have doubled the retail spaces to one million square feet and opened with 80% occupancy rate.
  - Opening of the phase 2 IOI City Mall has made it one of the largest shopping centres in Malaysia with total net lettable retail areas of about 2.5 million square feet.
  - SP Setia Berhad's new mall, Setia EcoHill Walk in Semenyih, has already recorded a take-up rate of 60% ahead of its official opening in September 2023.
  - Semua House, one of the oldest shopping centres in Malaysia, has been vacated for facelift. The shopping centre has been affected by the COVID-19 pandemic.
  - Sunway Properties plans to develop Ipoh's largest shopping mall with about one million square feet in gross areas and about 2,000 car parks.
  - The Waterfront Shoppe, an RM1.2 billion mall project by IJM Perennial Development Sdn Bhd, will open for business in early 2025.
  - Hypermarket chain Mydin was opening its 67th outlet at Tunjong, Kelantan. This outlet is also the largest outlet in Kelantan.
  - NSK Trading has recently opened a 3-storey retail mall at 3 Elements in Pusat Bandar Putra Permai, Seri Kembangan.
  - Malaysia Grand Bazaar (MGB), the city's first artisanal mall, was launched on March 31. It is located within Bukit Bintang City Centre and sited next to LaLaport Mall and Zepp KL.
  - Penang is set to host a Mitsui Outlet Mall near Penang International Airport. The new mall will be a joint venture between Mitsui Fudosan Co Ltd and Malaysia Airport Holdings.
  - Plenitude Bhd's three-storey Gurney Walk opened on March 1, 2022. The mall is located along Gurney Drive and is integrated with the 37 storey Ascott Gurney Penang.
  - Bina Darulaman Bhd was expecting phase one of Langkawi Premium Outlet (LPO) to be ready by the end of October. 36 out of 38 units in the complex have been rented to local entrepreneurs.
- PPB Properties has unveiled Megah Rise Mall, which planned to be a community-centric neighbourhood mall within Megah Rise, Taman Megah, Petaling Jaya.
  - Ikano Centres has officially unveiled Klippa, its new retail destination and mixed-use development in Batu Kawan, Penang.

#### Outlook

The recovery of the retail property sector to the pre-COVID19 level may take a longer time when compared to other property sectors. Badly affected shopping complexes, namely those fully close-down or with occupancy rates drop below 50% may require major repositioning strategies to be revived.

Spending powers of the Malaysians are expected to increase in line with the opening of Malaysian economy and international border. This augurs well for the retail property sector, particularly the well-managed and popular shopping complexes.

In 2022, footfalls to many popular shopping complexes in Malaysia have already recovered to the pre-COVID19 level, fueled by the improved spending power and revenge shopping by shoppers after two-years of movement control order due to COVID19.

Overall, a mixed outlook is observed for the retail property sector. The popular and well managed shopping centres will record favourable performances while poorly managed shopping centres will continue to perform poorly. The overall retail property sector will remain highly competitive due to the large supply situation, Overall occupancy rates of retail complexes will remain at their current level or reduce marginally. The management of shopping complexes are expected to offer competitive rental rates to attract and retain tenants.

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Completion of premier purpose-built office buildings in iconic development projects such as KLCC, TRX, BBCC and Merdeka 118, are expected to pose competition to the existing Grade A office buildings in Kuala Lumpur city. HSBC and Prudential have relocated to TRX from the previous offices in CBD and Golden Triangle, respectively while Maybank will relocate to Merdeka 118 from the existing Maybank at CBD area.

### Purpose Built Office Buildings

The total occupancy rate of purpose-built offices (privately owned offices) in Malaysia has increased marginally from 71.5% in 2021 to 71.7% in 2022. The overall occupancy rate of purpose-built offices in the country was lower than the occupancy rate of purpose-built office buildings before the COVID-19 pandemic, which was close to 75% in 2019.

The overall supply of office spaces in Malaysia increased by 208 thousand square metres while the occupied office spaces in the country recorded lower increase of 181 thousand square metres.

Privately owned purpose-built offices at Putrajaya continued to record the lowest occupancy rate at 45.17%, followed by Johor state at 59.1% occupancy rate.

- Maybank will move its corporate head office from Menara Maybank in Jalan Tun Perak to Menara Merdeka 118 in stages starting from the first quarter of 2025. Maybank will reduce its current occupied areas, in line with the group's strategy to use workspace optimally by adopting remote working amongst its workforces. PNB will be the main lessor of Menara Maybank as per a 10-year tenancy agreement between Maybank and PNB.
- Hap Seng Group plans to reposition its newly acquired Wisma KFC into a hotel and link it to Menara Hap Seng 3.
- Telekom Malaysia Berhad (TM) plans to move out from Menara Telekom that has been put up for sale. TM plans to relocate to the nearby TM Annexe 1 and TM Annexe 2.
- HSBC has moved to its new head office at Menara IQ, Tun Razak Exchange (TRX) in March 2022.
- Maybank is relocating a part of its operations from its headquarters in Kuala Lumpur to the 33-storey Mercu Maybank at Finance Avenue in i-City.
- i-City Properties will collaborate with China Mobile International Malaysia (CMIM) to construct the country's first smart green corporate tower in i-City.

### Outlook

The new office projects are expected to increase the market competitiveness in the market. New Grade A purpose-built office projects that are located at iconic integrated commercial developments such as Tun Razak Exchange (TRX), Merdeka 118 and Bukit Bintang City Centre, to name a few.

Rental rates of Grade A office buildings in Klang Valley, particularly at Kuala Lumpur city centre, will remain highly competitive. Occupancy rates of the purpose-built offices will increase gradually in line with the country's economic growth.

The poorly managed and maintained purpose-built office buildings will continue to record poor performances in terms of occupancy rates and rental rates. Many old office buildings that are located at strategic locations will be repurposed to other uses such as hotels.

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Landed residential house projects have attracted good responses:

- Pisonia Villa Package 2 and Areca Terrace in Bandar UDA Utama
- Phase 2 of Aman Parc in Sungai Petani
- Pristine 3, Bandar Enstek
- Dayana series at Nilai Impian
- Aspira Gardens in Gerbang Nusajaya
- Nadira and Ilham Residences 2 in Bukit Rajah
- Phase 2 - Camellia 2 of M Senyum in Salak Tinggi
- Bywater Homes in Setia Alam
- Rimbaran in Setia Eco Templer
- East 57 in KL East
- Bandar Ainsdale Lakeside Home series
- Erica @ Meridin East
- Puteri Soraya in Kota Puteri, Kuala Selangor
- M Panora (Phase 1A)

## IN THE NEWS

### Residential property sector

- Mah Sing Group Berhad is riding on the success of M-Series affordable homes, comprising high-rise, and landed residential properties targeting first-time home buyers, working professionals, young families and upgraders. Amongst the M-series projects by Mah Sing Group are M Senyum, M Astra, M Nova, M Aruna, M Panora and others. The group has also introduced various campaigns to encourage property sales, namely “Come Home 2 Mah Sing”, “Home with Mah Sing” and “Mah Sing Now” (January 2022, The Star).
- UEM Sunrise has planned to launch Phase 2 (Tower C-28 storey and Tower D-27 storey) of KAIA Heights in Equine Park by end of 2022, Seri Kembangan due to the favourable take-up rates at the initial launches (January 2022, EdgeProp).
- JKG Land Bhd has unveiled NOON, the second phase of its The Era Duta North serviced apartment in Segambut, Selangor. The project consists of 965 serviced apartment units with built-up measuring 645 and 1,334 square feet with GDV of RM722 million (January 2022, EdgeProp).
- MGB Berhad, a subsidiary of LBS Bina Group Bhd, has achieved 100% bookings for its Rumah Selangorku Idaman BSP, which was recently launched with 1,312 units (January 2022, NST).
- UDA Holdings Bhd will launch 2-storey terraced house project in Pisonia Villa Package 2 and Areca Terrace with 53 and 172 units, respectively in Bandar UDA Utama (January 2022, EdgeProp).
- Kedah based developer Aman Setia Group is set to launch Phase 2 of Aman Parc in Sungai Petani in February 2022. Phase 2 will consist of residential development (Parc Residence 2) and commercial development (The Gateway) (February 2022, The Edge).
- TH Properties Sdn Bhd received an overwhelming response to its latest residential project in Bandar Enstek, Negeri Sembilan with 60% of Pristine 3 sold out within a week of its launch (February 2022, The Star).
- BRDB Development Sdn Bhd’s latest residential project, known as One Eleven Menerung, is a 23-storey building with 111 freehold units ranging from 1,001 to 3,714 square feet (February 2022, EdgeProp).
- Sime Darby Property Bhd’s Phase 1 of Dayana 2 in Nilai Impian, Negeri Sembilan, was fully sold during its sales preview late last month. The second and final phases of the Dayana series will tentatively be launched in March. The double storey linked homes are priced from RM517,888 with built up areas ranging from 1,764 to 1,846 square feet (February 2022, EdgeProp).
- Binastra Land has announced the launch of the exclusive Tower C for Suria Garden @ Puchong, comprising a limited number of affordable homes under the “Rumah Mampu Milik”. With built-up areas of 556 square feet and two parking bays, the freehold units of Tower C are available at RM270,000 (March 2022, The Star).
- Myra by OIB (Oriental Interest Bhd) is set to launch the first phase of Myra Cove in Cyberjaya, Selangor. Occupying a 6.39-acre parcel in the 11-acre freehold Myra Cove, Phase 1 has a GDV and will comprise a total 279 residential units (March 2022, The Edge).
- NCT Group of Companies saw all 149 Rumah Selangorku units at its Ion Belian Garden, a white knight development project located in Batang Kali, sold out in five minutes of launch (March 2022, EdgeProp).

- Arena in Seremban 2

Many old projects have been earmarked for re-development in 2022:

- Ambassador Row Hotel Suites by Lanson Place in Jalan Ampang
- Flat PKNS Jalan Tun Razak, Kampung Baru
- Jalan Kuching PKNS flats in Kuala Lumpur
- Kampung Sungai Baru, Kuala Lumpur
- Rex Cinema, Georgetown

- Siab Development has inked a memorandum of understanding (MOU) with Koperasi Peserta-Peserta Felcra Malaysia Berhad for a proposed Joint Development worth RM400 million. Siab Development would jointly develop three parcels of freehold Malay reserve land owned by Koperasi Felcra, measuring about 3.22-ha in Gombak, Selangor (March 2022, The Star).
- Sime Darby Property Berhad is launching The Serenade, its final low-rise condominium within the strata development of The Glades in Putra Heights, Selangor. This exclusive development has a low density of just 122 units spread across five residential blocks, with only two, four or six units per floor (March 2022, The Star).
- Tropicana Aman will launch its next phase of landed residences in 4Q-2022 for those who missed out on Freesia and Gemala Residences, which were reported to be fully sold (March 2022, NST).
- Trinity Group Sdn Bhd has unveiled the second and final phases of Trinity Wellnessa in Beverly Heights, Ampang North after the first phase was fully sold. The project has a GDV of RM315 million and will comprise two 30-storey towers with 463 residential units in total (April 2022, EdgeProp).
- UEM Sunrise Bhd has unveiled the final phase of Aspira Gardens and recorded a take-up rate of 75% even before the launch over the weekend. The project is located at the upcoming greenfield township of Gerbang Nusajaya and with only 118 units of stratified double storey cluster homes and semi-detached houses (April 2022, The Star).
- Europlus Bhd has inked a joint venture (JV) agreement with Janajaya Murni Sdn Bhd (JMSB) to jointly develop two parcels of land owned by Europlus in Serendah, Selangor into a residential project with a combined gross development value of RM388.23 million. The project comprises 411 units of double storey terraced houses on Land 1 measuring 11.3 ha and 710 units of double storey terraced houses on Land 2 measuring 20 ha (April 2022, EdgeProp).
- Sime Darby Property's Nadira and Ilham Residences 2 landed homes garner high take up rates during the official booking weekends. Phase 1 of Nadira, Bandar Bukit Raja, Klang achieved 90% take up rate for 123 units of freehold double storey link homes while Ilham Residences 2 is 86% of 277 units of freehold double storey homes have been taken up (April 2022, EdgeProp).
- Daksina Harta Sdn Bhd, a JV between Sunway Bhd and MKH Bhd, is set to launch Jernih Residence in Kajang. Occupying a 5.28-acre freehold land, the project will offer 1,605 serviced apartment units in two blocks and 41 retail units on Levels 1 and 2 (May 2022, The Edge).
- Phase 2 - Camellia 2 of M Senyum in Salak Tinggi by Mah Sing Group is now open for registration of interests after all the 262 units of double storey terraced houses valued at RM144.48 million, has been fully taken up (May 2022, NST).
- Paramount Property Development Sdn Bhd is repurposing and rejuvenating the old 20-storey Ambassador Row Hotel Suites by Lanson Place in Jalan Ampang. It plans to keep the structure but will remove all the mechanical and electrical systems and piping as well as changing the lift system and facades (May 2022, The Edge).
- The latest launch at Setia Alam is known as Bywater Homes, which sits on 80 acres and will have 929 units of terraced and linked semi-detached houses. The launches in Bywater Homes include Plenum, Validum, Croceus, Garciae, Altora and Musika (May & November 2022, The Edge).
- SP Setia Bhd will be launching Rimbaran in Setia Eco Templer after delaying due to COVID-19. The project comprises 74 Balinese inspired semidees and link villas. The 28 semidees each have a built-up of 2,700 square feet and the 46 link villas with built ups ranging from 2,100 to 2,800 square feet (June 2022, The Edge).



- Sime Darby Property Bhd's East 57 projects in KL East have been fully taken up since its virtual launch last week. The strong demand was due to the limited supply of well-designed landed units in KL East and Melawati area (June 2022, EdgeProp).
- HIL Industries Bhd in a JV with Amverton Bhd, plans to launch an eco-village with a retirement concept called Carey Circles in Amverton Cove on Carey Island, Selangor. Initially planned as a retirement village, the project has been tweaked so that it is open to both young buyers and foreigners (June 2022, The Edge).
- Kemajuan Masteron Sdn Bhd has launched its latest serviced apartment project called KR7 Residences in Taman Mas Puchong, Selangor. KR7 Residences will be launched in two phases, the first tower (Tower A) in June 2022 and second tower (Tower B) in early 2023 (June 2022, EdgeProp).
- Jiankun International Bhd signed an agreement with Menara Rezeki Sdn Bhd to undertake the redevelopment of Kampung Baru project. A 52-storey tower will be built for the existing Flat PKNS Jalan Tun Razak owners while Tower 1, Tower 2 and Tower 3 are mixed development with residential and retail units (June 2022, EdgeProp).
- Puncakdana Sdn Bhd plans to launch Myara Park on June 30. The project at 23 and 17 storey, will be the tallest building in Ara Damansara. The freehold project will have a GDV of almost RM200 million (June 2022, The Edge).
- Sime Darby Property achieved 100% take-up rate for all the 44 units of its final addition to the Bandar Ainsdale Lakeside Home series during its weekend launch (June 2022, NST).
- Lagenda Properties Bhd's unit has signed a deed of revocation with a wholly owned subsidiary of MajuPerak Holdings Bhd regarding an affordable housing development project in Tapah, Perak (June 2022, The Star).
- MCT has launched Phase 2 of Alira @ Tropicana Metropark after the success of Phase 1, which has recorded sales rate of more than 85%. Phase 2 has 340 units and GDV of RM257 million (July 2022, NST).
- Mah Sing unveiled M Nova sited on an 8.09-acre site in Kepong with a GDV of RM790 million. The first two towers of M Nova consist of 1,248 serviced residences with built-up sizes of 700 to 1,000 square feet. The indicative selling price is from RM318,000 (July 2022, EdgeProp).
- About 67,944 units of affordable homes within 104 housing projects in Kuala Lumpur, Putrajaya and Labuan have been approved under the Federal Territories Ministry's 'Residensi Wilayah Kuala Lumpur' initiatives (July 2022, The Star).
- Naza TTDI Sdn Bhd plans to develop six (6) new projects with a total gross development value of RM3 billion within the next three years. The next project launch would be TTDI Za'aba in Taman Tun Dr Ismail (July 2022, The Star).
- Jalan Kuching PKNS flats in Kuala Lumpur, which were formerly occupied by army personnel, have been earmarked for redevelopment. Owners have been given compensation options, which are one-off cash incentives of between RM100,000 and RM165,000 depending on the sizes and one to one unit compensation with rental incentives (July 2022, The Star).
- OSK has launched LEA by the Hills in Taman Melawati. LEA is a leasehold residential development sitting on a 2.9-acre land and will comprise 344 residential units in a 29-storey tower (July 2022, EdgeProp).

- Maxim Global Bhd has launched Residensi Maxim Risen, a high-rise property project in Cheras, Kuala Lumpur with GDV of RM562 million. The project is made up of two blocks of apartment suites totaling 1,236 units spread across 1.05 ha (July 2022, NST).
- The remaining homeowners in Kampung Sungai Baru, Kuala Lumpur, will need to move out by 31st October 2022, to make way for redevelopment. The land is leasehold land and 60% of the land has been earmarked for a mixed redevelopment project. The first phase involves construction of condominium tower with modern facilities (August 2022, The Star).
- Setia Awan Group has decided to open for sale its Phase 2 SOHO Transit 2 at Astrum Ampang, following the full take-up of its first phase. SOHO Transit 2 consists of 1,360 units in Block R, each priced at RM230,000. The 280 square feet units are spread across 48 floors and will be installed with face recognition systems as well as 62 facilities and 27 commercial outlets (August 2022, NST).
- WCT Land Sdn Bhd has unveiled Adenia Apartments in Bandar Parklands, Klang. Sited on 3.02 acres of freehold land, Adenia comprises 181 units, each priced at RM375,000 with a built-up area of 915 square feet (August 2022, EdgeProp).
- Asian Pac Holdings Bhd has hit another milestone with its recent launch, Dwitara Residences@ Surya PJ South in Petaling Jaya, where the sales reached 100% take-up rate within 16 hours of releasing the units. The project comprises 439 condominium units for its Tower 1 (August 2022, EdgeProp).
- Matrix Concepts Holdings Berhad will be launching Bandar Sri Sendayan's final premium residential parcel Resort Residence 2 this August. The project offers the buyers a high-end resort living experience and is a stone's throw away from amenities such as retail conveniences, education hubs and outdoor recreation and lifestyle parks (August 2022, The Star).
- The Pahang government will take over ten abandoned Felda Second Generation Housing Project (PGBF) sites from Felda management. The implementation of the project is through the Pahang Housing and Real Estate Board (LPHP) in a joint venture with the developer, which is Syarikat KMDI Holding Sdn Bhd (September 2022, The Star).
- Lagenda Properties to develop a new affordable township in Sungai Petani, Kedah with Bina Darulaman Berhad. The township, called Darulaman Lagenda, will comprise more than 2,500 landed affordable homes with gross development value of RM593 million (September 2022, EdgeProp).
- Lagenda Properties's Blossom Eastland Sdn Bhd has joined hands with Selangor government the first large scale landed affordable township within the state known as Bernam Jaya. The project covers total 191-acre plot of development land (September 2022, EdgeProp).
- Trive Property Group Bhd announced that it has cut off talks with Syarikat Perumahan Negara Berhad (SPNB) in relation to being a turnkey contractor for an affordable housing project in Kuala Lumpur (September 2022, EdgeProp).
- Encorp Bhd has teamed up with Touch Group Holdings Sdn Bhd to jointly develop a 4.97-acre piece of land in Kuantan, Pahang into a mixed development featuring retail lots, serviced apartments and a car park podium (September 2022, EdgeProp).
- Mah Sing's next phase of Meridin East, Erica West Phase 1 comprising 179 units of terraced houses with a GDV of approximately RM91 million is now open for registration of interest. All the 108 units of Erica @ Meridin East Phase 3 have been fully sold (September 2022, EdgeProp).

- Rumah Idaman Bukit Jelutong in Section U8, Shah Alam, which was launched in third quarter of 2022, comprises 1,260 semi-furnished apartments. Each apartment unit has 1,000 square feet floor size and priced at RM250,000 (September 2022, The Star).
- Sunrise MCL Land Sdn Bhd will launch Phase 2 of Arden Forest Heights township located between Rahang and Senawang in Negeri Sembilan. The 488-acre township has a GDV of RM245 million. Phase 1 of the project was softly launched in January and has achieved a sale rate of 93% (September 2022, The Edge).
- Sarawak will welcome the state's first integrated project known as Neu Pendington, which will be open to foreign buyers and completed in 2029. Neu Pendington will be jointly developed by UDA Holdings Bhd and Sarawak Economic Development Corp (September 2022, NST).
- The JV between Chester Denai Alam Sdn Bhd, the landowner, and Setiakon Builders Group, will launch second phase of Tulip Residence in Denai Alam, Selangor after the first tower and all the 14 shop lots on the ground floor were fully taken up (September 2022, The Edge).
- All the 137 units of double storey super link homes of M Panorama (Phase 1A) by Mah Sing Group were 100% taken up during the project weekend launch in September 2022 (September 2022, EdgeProp).
- Oriental Interest Berhad (OIB) is looking to officially launch Alea Residence in Myra Alam in Puncak Alam this month. Alea Residence offers only 364 apartment units spread equally over the four residential blocks. Every unit comes with two side by side parking lots, which are allocated on the same level as the unit (September 2022, The Edge).
- SP Setia has unveiled Hanami Residences in Setia Ecohill, Semenyih. The project is designed with Japanese elements embedded into the architecture of the homes, which complement the zen garden concept (September 2022, EdgeProp).
- LBS Bina Group Bhd unveiled its new phase at KITA@Cybersouth township, KITA Sejati. KITA Sejati will comprise 24 storey serviced apartments (September 2022, EdgeProp).
- Sunway Property is set to launch Alishan Residences in October 2022 with GDV of RM326 million. The project is situated on a 3.34-acre piece of land and will comprise 240 condominium units in a 33-storey tower and 15 double storey link villas (September 2022, The Edge).
- Paramount Property Development Sdn Bhd will launch Phase 1 of Sejati Lakeside 2 in Cyberjaya this month. Phase 1 of the 32.74-acre lakeside residential enclave will comprise 122 units of two storey semi-detached houses with selling prices from RM1.48 million to RM2.34 million (October 2022, The Edge).
- EXAL Group has launched SOL Estate, a newly landed residential development in Kuching, Sarawak. The development will span 30 acres featuring 269 bespoke homes to be built in three phases. SOL Estate is located along Arang Road West in Batu Kawa (October 2022, EdgeProp).
- Infra Segi Sdn Bhd will launch 168 Park Selayang, a white knight development project located along Jalan Kuching in Selayang. The project was previously known as Selayang Star City and was abandoned by previous developer in 2016. Infra Segi is the approved white knight by the High Court to undertake and revive the Selayang Star City project (October 2022, EdgeProp).
- PKNS will be launching Puteri Soraya in Kota Puteri, Kuala Selangor. The earlier phases include the two storey link homes in Puteri Elaisha and Puteri Daffina 2 and 3, which were sold out (October 2022, The Star).

- The Atera by Paramount Property is a new transit-oriented development in the mature neighbourhood of Petaling Jaya, with an expected launch in 4Q2022. The project is situated on a 9.66 acres site and will be developed in three phases. Phase 1 consists of a tower with 756 residential serviced apartment units and four retail lots (November 2022, The Star).
- The Stallionz @ Ipoh White Times Square is the first phase of the 10.5-acre Ipoh White Times Square integrated development. It is the first SOHO undertaking by a joint venture between Team Keris Berhad (TKB) and EXSIM and comprises a 12-storey block with 424 units and six retail lots (November 2022, The Edge).
- OSK Property launches Rubica serviced apartment in Harbour Place, Butterworth. Rubica comprises a single 35-storey tower spread over 1.19 acres of land and is the seventh phase in the Harbour Place enclave. It offers 230 apartment units with built ups ranging from 946 to 1,335 square feet (November 2022, EdgeProp).
- Noora Residences, which will be Desa ParkCity's first integrated development, will be situated on a 6.63-acre land in the township's southern region. Noora consists of two buildings with one to three-bedroom apartments each, as well as a retail section with around 50,000 square feet of net lettable space (November 2022, NST).
- IJM Land Bhd's Arena in Seremban 2, has achieved a take-up rate of 81% since its launch in September 2022. Arena consists of 96 units of 2-storey link homes and has a GDV of RM78,89 million (November 2022, The Edge).
- Tropicana Corp Bhd has unveiled the final villa series in Tropicana Aman. Known as Hana Residences, the series offers 130 two to three storey bungalows and two storey semi-detached houses. They are priced from RM2.34 million (November 2022, EdgeProp).
- Sunway Sanctuary by Sunway Healthcare Group comprises 473 units with 24/7 concierge services, dining, professional housekeeping and laundry services, maintenance services, IT support, around the clock security as well as one-on-one personalised services for various services. Sunway Sanctuary will be open for bookings by early January 2023 (December 2022, The Star).
- Developer Platinum Victory will be launching Platinum Casa Danau Residences in Setapak, Kuala Lumpur with an estimated gross development value of RM156.4 million. The project will have 200 units with a size of 1,184 square feet, priced from RM553,000 (December 2022, The Star).
- Gabungan AQRS Bhd has entered into a joint development agreement with PR1MA Corp Malaysia for a residential project in Kuantan, Pahang with estimated GDV of RM335.95 million (December 2022, The Star).
- Iskandar Investment Berhad will build 1,000 houses for the lower-income group to meet the demand for affordable homes in Iskandar Puteri, Johor. The project with gross development cost of RM230 million will be built on a 5.2-ha site sited next to Marlborough College Malaysia (December 2022, The Star).
- GDB Holdings Bhd has lifted its suspension of works on the 8 Conlay project following the receipt of partial payment towards outstanding sums owed by project-owner Damai City Sdn Bhd. GDB will proceed to remobilize and recommence for the full scope of works for the 8 Conlay project in early April 2023 (January 2023, The Star).
- The Rumah Selangorku 3.0 incentive is expected to increase the number units to 60,000 by 2025, which include 'solo' (one-room) for those who are single while for the married couples there is the 'duo' (two-room), 'trio' (three-room) and 'quad' (four-room) types. The prices range from RM114,750 to RM250,000 per unit (January 2023, The Star).

- Bandaraya Development Berhad (BRDB) launched Miranda Hill, a freehold project, located in Segambut (also known as North Kiara). The project, which covers 7.84 acres of land, offers 552 condominium units with built-up sizes from 943 to 3,584 square feet. The condominium project will be complemented with over 30 facilities (January 2023, The Star).
- Penang Island City Council (MBPP) approved the development of a 27-storey condominium on the grounds of Rex Cinema at the corner of Kinta Lane and Burmah Road (February 2023, The Star).
- Radium Development Bhd's latest project, the R Suites Chancery Residences, is a 51-storey development sited on a 0.88-ha plot of freehold land. It comprises 944 residential suites, commercial spaces, exclusive facilities and amenities as well as a 145-room hotel managed by an established independent Kuala Lumpur based hotel brand (February 2023, The Star).
- Putrajaya Holdings' latest launch is Residensi Sakura offering 463 units with entry price starting from RM350,000. The freehold project offers six floor plans to choose from with built-up sizes of 828 square feet, 957 square feet and 2,120 square feet (dual key) (February 2023, The Star).
- OSK Property launched the second phase of Shorea Park, known as Anya. Anya sits on 1.58-ha land offering 750 residential units. The serviced apartments come in four designs ranging from 560 to 1,389 square feet, encompassing layouts of 1+1 to four bedrooms (February 2023, The Star).
- PR1MA under the Local Government Development Ministry will be building some 4,000 high-rise homes in Penang over the next five years. The agency will develop residential and mixed development projects on two plots of land measuring 121.4-ha in the state (February 2023, The Star).
- The Ipoh City Council will convene a meeting in April 2023 with the Privatisation Committee to discuss the redevelopment plans for Waller Court, the oldest flats in Ipoh. Six firms had shown interest in redeveloping the area (February 2023, The Star).

### Shopoffices

- Metropolitan Lake Development Sdn Bhd is developing Metropolitan Waterfront on 14.6 acres of prime land in Kepong. The first phase is called Keponggi Square and features 73 three-storey retail units that range in built-up from 4,400 to 7,300 square feet (January 2022, The Edge).
- IJM Land Bhd has recently launched 119 shop lots at Uptown Square in Bandar Rimbau in Kota Kemuning, Selangor. The 2-storey and 3-storey shops with built-up areas ranging from 3,300 to 7,539 square feet, were reported to be fully sold (July 2022, The Edge).
- IJM Land Bhd launched 125 units of 2.5-storey and 3-storey shops at Phase 1 of the IKON @ Centrio, Seremban 2 in August 2022. Phase 1 occupies 11.3 acres and the shops have built up areas ranging from 3,537 to 7,305 square feet (August 2022, The Edge).
- The latest commercial project by IJM Land in Bandar Alam Suria, Puncak Alam, is Suria Square. The commercial project replicates and open-air experience of 115 units of double storey shop offices. Each shop, which comes with built-up areas of 3,047 to 4,922 square feet, is priced from RM806,000 (August 2022, The Star).
- Sime Darby Property has launched its lifestyle-centric commercial centre in City of Elmina township in Shah Alam, Selangor. The commercial centre comprises 70 units of two and three storey shopoffices offering built-up areas ranging from 3,074 to 7,753 square feet (December 2022, The Star).

Most of the new commercial shop projects launched in 2022 were located at established neighbourhood and within on-going mixed developments.



The favourable demand for industrial properties has spurred many developers to launch industrial projects in 2022. This includes developments of warehouse facilities and logistic centre.

Developers that launched logistic centres in 2022 are as follows:

- [Distribution centre for Shopee in Shah Alam by AXIS REIT](#)
- [E-fulfilment centre in Shah Alam by Xin Hwa Holdings](#)
- [eCommerce logistics hub in Shah Alam by OCR Group](#)
- [e-commerce terminal in Bukit Kayu Hitam by KT Express Logistics](#)
- [E-Metro Logistics Park in Bukit Rajah, Klang by Sime Darby Property and Logos SE Asia](#)
- [EPF invests in a pre-leased logistics hub in Bukit Raja](#)

### Industrial property sector

- Axis Real Estate Investment Trust (AXIS REIT) will be developing a 620,096 square feet distribution centre at a cost of RM130 million in Shah Alam, Selangor, which will be leased to Shopee's logistics arm, Shopee Express Malaysia Sdn Bhd, for 15 years upon completion (January 2022, EdgeProp).
- Sabah Oil & Gas Development Corp Sdn Bhd is in the process of developing Sipitang Oil and Gas Industrial Park in Sabah into an industrial park dedicated for oil and gas (O&G) activities (March 2022, EdgeProp).
- Xin Hwa Holdings Bhd is establishing an e-fulfilment centre in Shah Alam. Strategically located along the ELITE Highway, the centre comprises a seven-storey office and a three-storey warehouse with a total built-up of 300,000 square feet (March 2022, EdgeProp).
- OCR Group Bhd will be developing its first integrated eCommerce logistics hub via a proposed joint venture with Magna Ecocity Sdn Bhd. The logistic hub development is sited on a 20-acre site in Section 15, Shah Alam. The proposed eCommerce logistics hub would comprise a mixture of retail and commercial spaces, including multi-storey integrated eCommerce spaces specifically targeted for SMEs (April 2022, Star).
- Can-One-Bhd plans to build 86 semi-detached factories, 44 terraced factories and a hostel on two parcels of freehold land in Kapar (April 2022, NST).
- DRB-Hicom Bhd has entered into two memorandums of understanding for the purpose of developing and promoting an Automotive Hi-Tech Valley (AHTV) in Tanjong Malim, Perak. The AHTV is aimed to be the next generation vehicle hub in Tanjong Malim (April 2022, Star).
- The first phase of an e-commerce terminal by KT Express Logistics Sdn Bhd, operating in an approximately 5,574.18 square metres warehouse was completed in March and will start operating in the near future (May 2022, EdgeProp).
- AME Development Sdn Bhd is looking to launch i-Tech Valley, a 170-acre industrial park at Southern Industrial and Logistics Cluster (SiLC) in Johor by end June. This will be the company's third industrial project in SiLC (June 2022, The Edge).
- Hong Seng Consolidated Bhd has issued a Letter of Intent to form a strategic partnership with Invest NS to develop five parcels of leasehold land measuring about 284.75 acres into Malaysia Green Valley (MGV). MGV will be a green industrial park designed for research and development and manufacture cost-effective and sustainable renewable energy and products in its related supply chain (June 2022, EdgeProp).
- Malaysian Resources Corp Bhd has launched the Ipoh Raya Integrated Park, marking its first foray into the industrial and logistics market. The industrial project covers 832.38 acres development areas. (June 2022, Star).
- Sime Darby Property Bhd and Logos SE Asia Pte Ltd joint venture, known as SDPLOG, is set to develop the E-Metro Logistics Park in Bukit Rajah, Klang with potential assets under management in excess of RM3 billion. E-Metro Logistics Park is the first industrial development under SDPLOG's inaugural syariah-compliant industrial development fund (July 2022, Star).
- Two industrial projects will be launched in Sarawak, which are Sibu Industrial Park and Rantau Panjang Phase 3 Industrial Park. Sibu Industrial Park is designed for general industrial activities while Rantau Panjang Phase 3 is planned for shipping industry activities (July 2022, Star).

- **Bandar Bukit Raja Industrial Gateway by Sime Darby Property**

YTL Group and NTT Ltd are developing data centres in Kulai, Johor and Cyberjaya, Selangor, respectively.

- NCT Group has entered into five strategic partnerships to prepare for its upcoming Selangor Smart Industrial Park (SSIP) project. Memorandum Of Understanding have been signed with Asia Pacific University of Technology & Innovation, Furniweb Holdings Ltd, KS Industrial Tools Malaysia Sdn Bhd, Solarvest Holdings Bhd and Universiti Tun Abdul Rahman (July 2022, Star).
- IJM Corp Bhd has partnered with China Harbour Engineering Company Ltd (CHEC) to develop an integrated mixed development and logistic hub to be known as the Malaysian-China Kuantan International Logistics Park (MCKILP) (August 2022, Star).
- SP Setia Berhad expects to launch an industrial park located next to Setia Alam in mid-2023. The developer was applying for planning approval to change the zoning from residential to industrial (August 2022, Star).
- Industrial space solutions provider AME Elite Consortium Bhd is tying up with Majestic Builders Sdn Bhd to develop an integrated industrial park in Seberang Perai Tengah and is easily accessible via the Butterworth-Kulim Expressway, first and second Penang bridges as well as North-South Expressway (NSE) (August 2022, Star).
- Johor Land Bhd will spearhead the development of Sedenak Technology Valley with an initial 130ha pilot phase known as Discovery City in Kulai (August 2022, Star).
- YTL Data Center Holdings Pte Ltd is investing RM1.5 billion for the first phase of the YTL Green Data Centre Park. Targeted to be completed by the first quarter of 2024, the green building will feature 24 data hall suites, mechanical and engineering rooms, office space, storage and parking facilities (August 2022, Star).
- The groundwork for the multi-tenanted ready-built warehouse at Bandar Bukit Raja Industrial Gateway (BBRIG) in Selangor has commenced. The 39-acre freehold BBRIG is being developed in collaboration by Sime Darby Property Bhd, Mitsui & Co Ltd and Mitsubishi Estate Co Ltd (August 2022, NST).
- NTT Ltd has announced the commencement of its sixth data centre construction in Cyberjaya, shortly after the completion of its fifth data centre (CBJ5) in 2021. The new CB6 complements CBJ5, which covers just under 20,000 m2 with a total facility load of 22MW when combined with CBJ6 (September 2022, Star).
- Sime Darby Property Bhd's new launch, the Twin Factories 3 and Detached Factories 1 development in the 1,500-acre Elmina Business Park in Sungai Buloh, Selangor, has reported a 100% take-up rate (September 2022, Star).
- West Synergy Sdn Bhd, a joint-venture company between MUI Properties Bhd and Chin Teck Plantations Bhd, has unveiled its first industrial project known as Springhill Industrial Park (SIP) in Bandar Springhill, Negeri Sembilan (October 2022, EdgeProp).
- NST Group has signed two memorandums of understanding with Huawei Technologies (M) Sdn Bhd and Green Quarters Sdn Bhd to enable the group to attain its goal of providing a more agile and proactive business environment as it leverages on its partners' best practices and cutting-edge solutions (October 2022, Star).
- The Employees Provident Fund (EPF) is investing in the development of a 100% pre-leased logistics hub in Bukit Raja, Klang. EPF will invest up to 70% stake in the joint venture company, ALP BR (Malaysia) Sdn Bhd with the remaining 30% will be held by Ally Logistic Property Co Ltd (ALP). The hub will be located on 27 acres of freehold land and equipped with Automated Storage & Retrieval System (ASRS) technology (October 2022, EdgeProp).

- Malaysian Research Accelerator for Technology & Innovation (MRANTI) has launched the MRANTI Park Master Plan. The park will be developed in three phases on three precincts, which include the Learning and Creative Media precinct (191 acres), Innovation Gateway precinct (105 acres) and Living Lab precinct (286 acres) (October 2022, Star).
- Tiong Nam Logistics Holdings Berhad has partnered with Johor Corp to develop a 300-acre high tech industrial park in Johor. In December 2022, both companies entered into a Joint Venture agreement to develop the industrial park at Sedenak Technology Valley (December 2022, Star).
- Star Media Group Bhd has received bookings for three out of five units at the Star Business Hub. It comprises one detached and four semi-detached factories that serve as multi-functional warehouses, factories and offices (February 2023, Star).

## MAJOR CORPORATE DEALS

The following shows the key corporate deals involving properties in 2022.

### Klang Valley

- To increase its presence in the Northern Klang Valley, Gamuda Land Sdn Bhd, the property development division of Gamuda Sdn Bhd, has purchased a 532-acre block of land in Rawang near to its 810-acre Gamuda Gardens township. The RM360 million purchase, according to Gamuda Land Chief Executive Chu Wai Lune, would enhance the company's landed residential products in the region as a follow-up to the good uptake of Gamuda Gardens, which has experienced a rate of over 90% since its inception in 2017.
- For RM17.5 million, D'nonce Technology Bhd will purchase a leasehold parcel of land in Cheras, Selangor. D'nonce stated in a filing with Bursa Malaysia that it had a sale and purchase agreement in place with Paragon Car Carpets and Components Sdn Bhd for the acquisition through its fully owned subsidiary, Attractive venture (KL) Sdn Bhd (AVKL). According to D'nonce, the proposed purchase was made to acquire a suitable industrial/business lot for business expansion, with the predicted rise in capacity to handle the increased revenue from AVKL's expanding business operations.
- For a total of RM1.2 billion, Oriental Holdings Bhd (OHB) has entered into a number of agreements to buy estate and plantation company shares. At three plantation firms, Selasih Permata Sdn Bhd, Oriental Boon Siew (Mauritius) Pte Ltd, and Southern Perak Plantation Sdn Bhd, the conglomerate claimed the supplemental share sale agreements (SSAs) are intended to buy the remaining equity holdings. OHB had also engaged into supplemental sale and purchase agreements (SPAs) in order to purchase three oil palm estates in Peninsular Malaysia: Bukit Lengkap Estate, Bentong Estate, and Thye Group Estate.
- MCT Bhd is purchasing a 1.57-acre freehold residential land parcel in Seputeh, Kuala Lumpur, for RM58 million. With the transaction, MCT has entered into a contract with HPC Development Sdn Bhd, marking the group's first land purchase of 2023. MCT stated that it wants to build 126 units of boutique apartments with an estimated gross development value of RM320 million, subject to approval from the authorities, and that registration for interest is expected to begin by the end of 2023. The purpose of this acquisition is consistent with the firm's objective to increase its development footprint in key Klang Valley regions.

Developers that purchased land for land banking purposes:

- Aikbee Development
- Crescendo Corp Bhd
- EcoFirst Consolidated
- Gamuda Land Sdn Bhd
- Golden Land Bhd
- Hap Seng Consolidated
- KSL Holdings Bhd (Pontian)
- KSL Holdings Bhd (Pulai)
- Lagenda Properties Bhd (Kulai)
- Lagenda Properties Bhd (Teluk Intan)
- Land & General Bhd
- Mah Sing Berhad
- Matrix Concepts Holdings Bhd

- MCT Bhd
- Nusajaya Tech Park Sdn Bhd
- Paragon Globe Bhd
- Sime Darby Property Bhd
- Sunsuria Bhd
- Teladan Setia Group Berhad
- Thriven Global Bhd
- TWL Holdings Bhd
- UEM Sunrise Bhd

Purchase of properties for own uses or investment purposes:

- Bonia Corp Bhd
- CAM Resources Bhd
- CSH Alliance Bhd
- D'nonce Technology
- Dynaciate Group Berhad
- Farm Fresh Berhad (FFB)
- Gerbang Alaf Restaurants Sdn Bhd
- Global Oriental Bhd
- Harn Len Corp Bhd
- JAG Bhd
- Minho (M) Bhd
- Oriental Holdings Bhd (estates)

- Jetson Development (Asia) Sdn Bhd, a wholly owned subsidiary of Kumpulan Jetson Bhd (KJB), is selling a factory complex and a plot of freehold industrial land in Selangor for RM35 million in cash. The long-held property investment would be monetized and brought to market through the proposed sale of the land, with the revenues primarily going towards working capital and debt reduction.
- MMAG Holdings Bhd is selling a 4,777 square metre plot of land along with a three-storey office structure and a two-storey warehouse on it for RM20.2 million. The integrated supply chain management services provider announced that KGW Logistics (M) Sdn Bhd and MMAG Holding Bhd's wholly owned subsidiary, MMAG Digital Sdn Bhd, have signed a sale and purchase agreement for the disposal. The property is situated in Shah Alam's HICOM Glenmarie Industrial Park. According to MMAG Group, the earnings from this sale could be used to finance both its current operations and any future ventures.
- RHB Trustees Bhd, the trustee of Sunway Real Estate Investment Trust (Sunway-REIT), has entered into a sale and purchase agreement to purchase two pieces of land in Sungei Way, Petaling Jaya, along with the buildings already erected there for RM60.05 million. The trust's current debt programme would cover the whole cost of the planned acquisition. The property, which consists of double-story and five-story structures, is situated on 1.47 hectares of freehold industrial land.
- Sunsuria Bhd has made a proposal to buy a 60.81-acre leasehold plot of property in Mukim Ijok, Kuala Selangor at RM74.16 million. The developer claimed that Superjet Revenue Sdn Bhd had entered into a sale and buy agreement with Sunsuria Bhd's wholly owned subsidiary, Sunsuria Residential Sdn Bhd, to purchase the site. According to the proposal, Sunsuria Group will have the chance to gather critical industrial land for real estate development and/or investment. The site is strategically located, has good potential for industrial growth nearby, and is close to the essential infrastructure.
- Senheng Electric (KL) Sdn Bhd, a retailer of electrical appliances, has been offered a block of freehold industrial land in Klang, Selangor, valued at RM25.28 million by Pintaras Jaya Bhd. The group had the chance to realise the value of the land and release capital resources with the anticipated disposal. The group's liquidity and financial situation might improve as a result of the disposal. The 11,744 square metre plot of land was purchased on June 30, 2011, for a total investment cost of RM5.84 million, including ancillary costs. The group would use the revenues from the proposed disposal as operating capital, according to Pintaras. It was also noted that the group's shareholders do not need to approve of the proposed disposal.
- Minho (M) Bhd is purchasing a 4.3-acre plot of land in Jeram, Kuala Selangor in order to build a covered warehouse for RM3.66 million. When finished, the warehouse will be utilised to store sawn timber held by Minho's fully owned subsidiary Victory Enterprise Sdn Bhd (VESB). Also, the building would be rented out. Minho revealed that on February 7, VESB and Khoo Beng, the owner of the freehold land situated in an industrial zoning area, entered into a sale and purchase agreement. Minho claimed that a "willing buyer-willing seller" approach was used to establish the purchase consideration of RM3.66 million.
- Land & General Berhad (L&G) will spend RM68 million in cash to acquire a 3.55-acre vacant leasehold commercial plot in Puchong, Selangor, where it intends to construct serviced apartments with a focus on B40 and M40 purchasers. L&G has already signed a sale and purchase agreement with the vendor, Hartanah Idaman (M) Sdn Bhd, through its indirect wholly owned subsidiary, Billion Megastar Sdn Bhd (BSMB).

- Oriental Holdings Bhd (Segamat)
- Pecca Group Bhd
- Poh Kong Holdings Bhd
- PWF Corporation Bhd
- SKB Shutters Corp Bhd
- Time DotCom Bhd

Sales to monetize the properties:

- Bangi Resort & Development Corp Sdn Bhd
- Boustead Heavy Industries Corp Bhd
- Jetson Development (Asia) Sdn Bhd
- Knusford Bhd
- MMAG Holdings Bhd
- Pintaras Jaya Bhd
- PMB Technology Berhad
- Seni Jaya Corp Bhd
- Solidvest Properties Sdn Bhd
- Swift Haulage Bhd
- Uchi Technologies Berhad

- Pecca Group Bhd's wholly owned subsidiary Pecca Leather Sdn Bhd (PLSB) has entered into a sale and purchase agreement (SPA) to purchase a 4.31-acre parcel of unoccupied leasehold industrial land for RM8.45 million from UMW Development Sdn Bhd. The land was a piece of the mixed-use industrial, commercial, and residential complex known as UMW HVM Park, which was situated in Serendah, Selangor. Pecca stated that the UMW HVM Park Master Plan standards will be followed in the construction of the factory building, which include high-value designs and specifications.
- A unit of Time DotCom Bhd has sought to purchase an office building in Changkat Raja Chulan, Kuala Lumpur, from the Employees Provident Fund (EPF) for a total cash consideration of RM62 million. The telecommunications service provider reported that its wholly owned subsidiary had signed a conditional sale and purchase agreement with EPF for the proposed acquisition of the latter's 13-storey purpose-built office building in the city centre, known as Bangunan KWSP, along with 95 parking spaces.
- Hap Seng Consolidated Bhd has proposed to acquire a 668,212.79 square foot plot of unoccupied leasehold commercial land in Jalan Duta, Kuala Lumpur, known as Met 3, to grow its real estate development company. The acquisition price is based on RM1300 per square foot. Sierra Positive Sdn Bhd, a wholly owned subsidiary of Hap Seng, had signed a conditional sale and purchase agreement to buy the Met 3 land. The property is owned by TTDI KL Metropolis Sdn Bhd, a wholly owned subsidiary of Naza TTDI Sdn Bhd, which is in turn an 80%-owned subsidiary of Naza Corp Holdings Sdn Bhd. The property is a part of the 75.5-acre commercial development known as KL Metropolis, which is reachable via Jalan Kuching and Jalan Tuanku Abdul Halim.
- LKC Ventures Sdn Bhd will purchase a commercial property in Ulu Langat, Selangor from Knusford Bhd for RM14.63 million in cash. According to Knusford, its wholly owned subsidiary D-Hill Sdn Bhd and LKC Investments agreed to a sale and purchase agreement for the disposal of the freehold land, which measures 6,630.33 square metres. According to Knusford, the RM14.63 million disposal consideration was determined on a willing-buyer willing-seller basis after accounting for the land's RM2.42 million audited book value as of March 31, 2022, as well as the RM10.7 million expected gain on sale. According to Knusford, the sale will enable the company to quickly realise the value of the land and recoup its investment while also improving cash flow.
- Five shop office properties in Jalan Raja Abdullah, Kuala Lumpur are being sold by Seni Jaya Corp Bhd for RM11.5 million as part of the group's business transformation plan to rationalise non-core assets and maximise their value. According to Seni Jaya, the proposed disposal will allow the group to use the proceeds for new investments and acquisitions of companies that are in line with the business transformation plan, allowing it to grow its portfolio of billboards and provide a full range of out-of-home advertising options.
- Aikbee Development (Kepong) Sdn Bhd, a property developer completely controlled by Sit Seng & Songs Realty Sdn Bhd, is acquiring an 18.97-hectare of agricultural land in Rawang from Fitters Diversified Bhd for RM36 million. The land will be earmarked for residential development. Fitters stated in a stock exchange statement that the lease tenure on the property has 80 years left on it. The sale is anticipated to close in the fourth quarter of this year, and Fitters said the money will be used for working capital needs including paying staff-related bills and other operating costs.
- JAG Bhd, a provider of total waste management solutions, will pay RM35.28 million for a 12-and-a-half-story office building in Taman Desa, Kuala Lumpur, as part of the group's drive to strengthen its property investment business. To purchase the freehold property, which also has two levels of basement parking, Menara ABS Bhd and JAG Land Sdn Bhd, its wholly owned subsidiary, have signed a sale and purchase agreement (SPA).



## Transactions by REITs

- AME-REIT
- KIP-REIT
- Sunway REIT
- CapitaLand Malaysia Trust (CLMT)

**Mah Sing Group** sold a parcel of freehold land in Georgetown, which has been earmarked for high-end condominium development. The group wants to focus on developing affordable residential development.

KIP REIT has injected industrial properties into its portfolio.

- Poh Kong Holdings Bhd will purchase two three-story shoplots in Petaling Jaya New Town from The LotusCorp Bhd for RM11.35 million. The group's headquarters is situated in the same row of shoplots as these two leasehold properties, each of which is roughly 174.19 square metres. Poh Kong stated that it will use internally generated capital to pay for the acquisition, which is anticipated to be finished by the end of the year.
- Global Oriental Bhd is purchasing three retail spaces in Bukit Ceylon, Kuala Lumpur, as part of its plan to build a 39-storey luxury service residence for RM30 million. The store units are being bought from Jelita Orientasi Sdn Bhd for RM12.5, RM11.4, and RM6.1 million, respectively. They are situated inside Pavilion Ceylon Hill, a freehold development that combines residential and business space. Towards the end of August 2022, the project was 80% finished.
- Property developer EcoFirst Consolidated Bhd has made an RM78.4 million offer to buy the remaining 49% of a company that owns 4.18 acres of land in Sungai Besi. Tan You Tiong, a prominent shareholder in EcoFirst with a 14% ownership interest, owns a holding in the company, BCM Holdings Sdn Bhd.
- A superior leasehold residential site totaling 26.66 acres within Bangi Golf Resort (BGR) is being sold by Bangi Resort & Development Corp Sdn Bhd (BRDC) for development purposes.
- TWL Holdings Bhd's indirect subsidiaries are purchasing a number of lands in Petaling Jaya from Sime Darby Property (Bukit Raja) Sdn Bhd (SDP Bukit Raja) and INTA Development Sdn Bhd for a total of RM45 million. After the acquisitions are complete, TWL and the indirect subsidiaries (TWL Group) plan to build three affordable housing estates as part of the Rumah Selangorku programme.
- A freehold piece of land in Kuala Lumpur's Jalan Sultan Yahya Petra (formerly known as Jalan Semarak) has been purchased by UEM Sunrise Bhd for RM384.04 million.
- PWF Corporation Bhd had entered into a Sale & Purchase Agreement to purchase two parcels of freehold land at KIIP Kapar 2 for RM9,063,133.50 from Klangreality Consortium Sdn Bhd. The Vendor will be applying to the relevant authorities to convert the existing agriculture use to heavy industrial use.
- KIP REIT via Pacific Trustees Berhad, entered into conditional agreements to purchase three industrial properties at Pulau Indah Industrial Park for consideration of RM27 million (Industrial 1-229,311 square feet), RM23.7 million (Industrial 2-228,189 square feet) and RM28 million (Industrial 3- 200,861 square feet). Acquisition of these properties, which are fully rented, marked the injection of industrial properties in KIP REIT.
- A 4.816-hectare plot of property in Klang, Selangor, will be sold by Swift Haulage Bhd for RM38.36 million. In order to dispose of the industrial land held under state lease located in Bandar Sultan Sulaiman, Klang, Sentiasa Hebat Sdn Bhd, an indirect fully owned subsidiary of Swift Haulage, entered into a sale and purchase agreement with TPC Land Sdn Bhd. According to Swift Haulage, the exercise offers the chance to unlock and realise the value of the property, which is a portion of its non-core assets, while also generating extra cash flow from the sale of the land.
- YNH Property Berhad has proposed an asset-backed securitization exercise which will involve a seven-storey retail shopping centre known as "163 Retail Park" by D'Kiara Place Sdn Bhd. D'Kiara Place intends to enter into a conditional sale and purchase agreement with ALX Asset Berhad for the disposal of 165 Retail Park for a cash consideration of RM270,500,000.

- SKB Shutters Corporation Bhd has entered into a conditional Sales & Purchase Agreement to acquire a portion of a piece of leasehold land measuring about 9.807 acres for a consideration of RM35,974,000. The land is located within the proposed Precinct 3B, Eco Business Park V in Mukim of Ijok, District of Kuala Selangor, Selangor.
- Solidvest Properties Sdn Bhd, a 99%-subsidiary of Ageson Bhd, plans to sell a piece of land measuring 9.325 acres to Koperasi Belia Nasional Berhad for a consideration of RM35 million. The freehold land is located in Mukim Batu, District of Gombak, Selangor Darul Ehsan.
- Bonia Corporation Bhd has signed a Sale & Purchase Agreement to acquire a double-storey bungalow and a guard house at Jalan Delima, Kuala Lumpur for a total consideration of RM35,507,000. The property is sited on freehold land measuring about 1,403.707 square metres.
- PMB Technology Berhad has entered into a Sale & Purchase Agreement with Faithview Resources Sdn Bhd for the disposal of all pieces of freehold land located at Mukim of Petaling, Kuala Lumpur for a consideration of RM37 million. The land had been approved for studio apartments and serviced apartments.
- Sime Darby Property Bhd is acquiring a parcel of land measuring about 948.826 acres of land in Mukim of Kapar, District of Klang, Selangor Darul Ehsan for a consideration of RM618 million. The freehold land is currently an agriculture land and forms part of Bukit Kerayong Estate.

#### Johor Darul Takzim

- Johor Land Bhd is selling three pieces of land totaling 109.86 acres to Crescendo Corp Bhd (CCB) for RM67.55 million which allows the group to further expand its landbank of its existing development.
- UEM Sunrise Bhd, through its indirect subsidiary, Nusajaya Rise Sdn Bhd, is selling a plot of 234.5-acre land in Gerbang Nusajaya, Iskandar Puteri, Johor to Nusajaya Tech Park Sdn Bhd, which is a joint venture company between UEM Land Bhd and Ascendas land (Malaysia) Sdn Bhd.
- Lagenda Properties Bhd via its 70% owned indirect subsidiary, Lagenda Mersing Sdn Bhd has acquired a plot of land in Kulai, Johor for RM398.2 million. The group intends to use the new acquisition to develop a large-scale affordable township encompassing 12,000 residential units and a mix of commercial development.
- Three industrial properties in Iskandar Malaysia have been offered for sale by AME Real Estate Investment Trust (AME-REIT) for RM69.3 million. The offer comes from AME Elite Consortium Bhd. The three assets consist of two industrial properties in Kulai's i-Park @ Indahpura and one industrial property in Senai's i-Park @ Senai Airport City, all in Johor, with a combined agreed lettable area (ALA) of more than 256,000 square feet. All three of the industrial properties are currently leased for a term of ten years, with an option to extend it for an additional three to five years.
- A freehold parcel of land in Plentong, Johor, comprising approximately 42 hectares has been proposed for acquisition for RM71.5 million by Paragon Business Hub Sdn Bhd, a wholly owned subsidiary of Paragon Globe Bhd. Paragon Business Hub plans to transform the property into an industrial district with 171 industrial premises, and construction is anticipated to start in 2024.

- KSL Holdings Bhd's wholly owned subsidiary, KSL Medini Development Sdn Bhd has signed a sale and purchase agreement for RM102.94 million to purchase 10 pieces of freehold property in Pontian, Johor from Tropicana GP Views Sdn Bhd. The 21.81-hectare land will be used for residential projects.
- An agreement has been reached by IOI Properties Group Berhad (IOIProp) and Oriental Medical Segamat for the sale of a freehold 4.84-acre block of land located in Bandar IOI Segamat, Johor. The sale by IOIProp is to extend the network of healthcare services provided by Oriental Holdings Berhad (OHB). A medical facility in Bandar IOI Segamat will enable the integrated development to reach its full potential.
- KSL Holdings Berhad has offered to acquire 34.028 hectares of land in Pulau, Johor Bahru through its subsidiary, KSL Development Sdn Bhd (KLSD) for RM109.884 million. On the planned acquisition, a sale and purchase agreement has been struck between KLSD and Tropicana Desa Mentari Sdn Bhd. The proposed acquisition would add to the group's existing land bank, which would boost future earnings and revenue.
- Mah Sing Berhad had disclosed that it would pay RM39.29 million to purchase 6.9 acres of freehold land in Mukim Tebrau, Johor Baru. The new acquisition, to be known as M Minori, has an estimated GDV of RM469 million and is planned for a mixed development.

### Pulau Pinang

- A plot of leasehold land in Penang will be sold by Uchi Optoelectronic (M) Sdn Bhd, a subsidiary of Uchi Technologies Berhad. The site at Seberang Perai Tengah on Penang Island, which includes a factory building and other structures, will be sold to XFS Sdn Bhd for RM19 million.
- Thriven Global Bhd will purchase 4,700 square meters of freehold land in Butterworth, Penang for RM21 million through its subsidiary, Bukit Punchor Development Sdn Bhd. A sale and purchase agreement has been entered into with Star Sanctuary Land Sdn Bhd for the acquisition of the land.
- Mah Sing Group Bhd is selling a 13,695 square meters freehold land in Georgetown, Penang for RM66.33 million in cash. The site was purchased by Klassik Tropika in 2009 for the purpose of developing a high-end condominium project. The land's net book value as of June 30, 2022, is RM61.85 million. According to Mah Sing, the group is selling the land to concentrate more on its "M-Series" type of residential land for the building of cheap dwellings that are in line with current market demand.
- In a related-party transaction, CapitaLand Malaysia Trust (CLMT) would pay RM990.5 million to parties connected to CapitaLand Investment Ltd (CLI) to acquire 91.8% of the total stratum floor area of the retail plots in Penang's Queensbay Mall. The acquisition amount is less than the independent value of RM 1 billion that was commissioned by MTrustee Bhd, the trustee for CLMT, by around 1%.

### Perak Darul Ridzuan

- Lagenda Properties Berhad is purchasing 422 acres of agricultural land in Perak for RM92.4 million. A sale and purchase agreement was made with Ladang Awana Sdn Bhd for the proposed acquisition by Taraf Nusantara Sdn Bhd, a division of Blossom Eastland Sdn Bhd, which is owned

by Lagenda. The areas bordering Lagenda Teluk Intan consist of 42 block titles of agricultural land. The proposed land acquisition because the lands are close to the group's current affordable township developments in Lagenda Teluk Intan.

- CAM Resources Bhd through its subsidiary, Central Palm Oil Mill Sdn Bhd has paid RM6.1 million for a block of land in Bidor, Perak from four individual vendors. The acquired assets will be used for commercial expansion.
- CSH Alliance Bhd plans to purchase three adjacent industrial land parcels totaling 55.32 acres for RM12 million, through its fully owned subsidiary Alliance EV Sdn Bhd (AEV) in Tanjung Malim, Perak. A sale and purchase agreement were entered into by the company with the vendor Medium Visa Sdn Bhd and Harapan Iringan Sdn Bhd for the proposed acquisition.
- YNH Property Berhad has proposed an asset-backed securitization exercise which will involve a two-storey retail shopping centre known as “AEON Seri Manjung” by YNH Hospitality Sdn Bhd. YNH Hospitality intends to enter into a conditional sale and purchase agreement with ALX Asset Berhad for the disposal of AEON Seri Manjung for a cash consideration of RM152,000,000.

#### Negeri Sembilan Darul Khusus

- The McDonald's licensee in Malaysia – Gerbang Alaf Restaurants Sdn Bhd, would purchase 0.64 acres of commercial land from PNB Development Sdn Bhd's subsidiary Seriemas Development Sdn Bhd (SDSB). On the aforementioned plot of land in Kota Seriemas, a McDonald's fast service restaurant will be built; it is planned to open in early 2023.
- Farm Fresh Berhad (FFB) spends RM18.2 million to buy an 8.05-acre plot of freehold industrial land in Seremban to be utilised as a new manufacturing hub. The dairy firm said that THP Enstek Development Sdn Bhd had entered into a sale and purchase agreement with its completely owned subsidiary, The Holstein Milk Co (M) Sdn Bhd to purchase the land in Bandar Baru Enstek.
- Matrix Concepts Holdings Bhd is paying NS Corporation (NS Corp) RM460 million for 1,382.2 acres of land in Malaysia Vision Valley 2.0 (MVV2.0), Negeri Sembilan. Matrix Concepts will establish a joint venture firm called N9 Matrix Development Sdn Bhd with NS Corp on an 85:15 basis through its indirect subsidiary MCHB Development (NS) Sdn Bhd. A township similar to its Sendayan brand will be constructed by Matrix Concepts with a gross development value of RM7 billion.

#### Pahang Darul Makmur

- Dynaciate Group Berhad has proposed to acquire a 23,550 square metres freehold industrial land in Bentong, Pahang for RM12 million. Dynaciate, through its fully owned subsidiary, Magnitude Resources Sdn Bhd has entered into a sale and purchase agreement with Powernet Industries Sdn Bhd (PISB) for the proposed acquisition.
- Two pieces of land in Bentong, Pahang, will be purchased by oil palm plantation and real estate development business Golden Land Bhd for RM9.91 million with plans to build terrace homes there. Golden Land announced that its wholly owned subsidiary Scott Emas Sdn Bhd has reached a deal with Everwin Realty Development Sdn Bhd to buy the 19.812-acre land parcels.

- A 4,053-acre plantation site in Rompin, Pahang was purchased by Harn Len Corp Bhd from Datuk Mohamed Nizam Mohamed Jakel for RM54.7 million. The current planting of oil palm and pineapple on 20% of the property is viewed as a synergistic move since Harn Len Corp has knowledge and experience in plantation business and may assist in accelerating the planting of the area.

### Melaka

- Teladan Setia Group Berhad has proposed a RM48.5 million acquisition of a leasehold plot of land measuring 7.54 acres in the Central Melaka District. The purchase will be completed through bank borrowings and internally generated funds and anticipates completing the acquisition by the fourth quarter of 2023.

### Sabah

- For RM14.7 million, SMRT Holdings Bhd is purchasing eight contiguous units of a four-storey terrace shop and office building in Kota Kinabalu, Sabah, partially for possible capital appreciation and future rental income. Eight leasehold properties, including six intermediate units and two corner flats, were the subject of a sale and purchase agreement between Koperasi NLFCS Bhd and SMRT's wholly owned subsidiary Strategic Ambience Sdn Bhd.
- Boustead Heavy Industries Corporation Bhd (BHIC) is selling a plot of land in Kota Kinabalu, Sabah for RM18.8 million in cash in order to improve its liquidity and cash flow. It is selling the 9.78-acre land to Jantoco Realty Sdn Bhd (JRSB), a fully owned subsidiary of Harrisons Holdings (Malaysia) Bhd that specializes primarily in real estate investment and management. As part of the BHIC Group's disposal initiative under its Restructuring and Rationalization Strategy, the group announced that the disposal offers a chance to monetize its non-core investment that is currently undeveloped.

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Generally, most development companies have recorded positive financial performances in 2022. Amongst the reasons quoted for the strong performances are as follows:

- Online marketing strategies
- Focus on targeted market.
- Focus on selling affordable properties.
- Aggressive cost control
- Reducing losses in COVID-19 affected industry in 2022
- Rise in new property sales.
- Strong progress billings
- Higher foreign property earnings.

## CORPORATE ANNOUNCEMENTS

06/01/2022 (New Straits Times)	Tropicana Corp Bhd is on pace to meet its RM1.1 billion sales goal for 2021 thanks to smart offline and online marketing initiatives run all year long. The real estate developer said in a statement that it launched significant digital marketing initiatives in 2021, maintaining its commitment to its digital-focused strategy. In doing so, the company expanded its customer engagement experience, reached a targeted millennial demographic, and eventually increased sales. This included launching virtual sales galleries and holding several webinars.
05/01/2022 (Edge Market)	LBS Bina Group Bhd plans to launch 14 new projects with a gross development value (GDV) of RM1.77 billion this year, with the goal of generating RM1.6 billion in sales. The Klang Valley, Johor, Pahang, and Perak will be the locations of these developments, which will total 3733 units. The group sold RM1.57 billion worth of real estate in 2021, above its RM1.2 billion sales goal.
07/01/2022 (The Star)	Property developer Mah Sing Group Bhd reported that sales of its inexpensive properties in Kuala Lumpur, Penang, and Johor helped it reach its RM1.6 billion sales goal for the fiscal year that ended on December 31, 2021 (FY21). The group plans to debut RM2.4 billion worth of properties in 2022, 71% higher than the RM1.4 billion in new properties announced in 2021, in anticipation of a better year. The group thinks that if domestic and global economic growth stay stable, the speed of the real estate market recovery would quicken. Mah Sing will keep producing an affordable assortment of products recognizing a significant need for such residences among the younger generation.
19/01/2022 (Edge Market)	KIP Real Estate Investment Trust (REIT) announced strong results for the second quarter ended December 31, 2021, with a 4.5% year-over-year rise in net profit to RM9.05 million on the strength of RM18.51 million in revenue. The aggressive cost control by the KIP REIT manager, which resulted in decreased operating costs for utilities, maintenance and housekeeping, reimbursement costs, as well as marketing charges, was a major factor in the better results.
24/01/2022 (Edge Market)	With a net profit of RM3.76 million for the second quarter ended December 31, 2021, Goucoland (M) Berhad has turned its financial situation around thanks to improved performance in the real estate development industry and decreased losses in the hospitality segment. The company claimed that increased contributions from the property development division and a stronger performance by the hotel business were responsible for the increase in revenue of 15.6% to RM105.55 million in the quarter compared to RM91.32 million in the equivalent period a year earlier.
25/01/2022 (New Straits Times)	In the second quarter that concluded on November 30, 2022, Gadang Holdings Bhd's net profit increased by more than 1800% to RM36.54 million from RM1.86 million the previous period. Additionally, its sales increased by 54.4% to RM259.67 million in the quarter from RM168.12 million in the same quarter last year.
06/07/2021 (New Straits Times)	On the strength of persistent demand for landed properties, SP Setia Bhd, which met its sales target of RM3.8 billion in 2021, is expected to post even stronger earnings for 2022.

- 15/02/2022  
(Edge Market) In the medium term, Sime Darby Property Bhd wants to generate 30% of its net profit from recurring sources. Sime Darby Properties continues to achieve good take up rates that had averaged about 90% in the financial year 2021 despite the ongoing saturation of the office market supply because its buildings are well positioned and supported by a single anchor tenant. Moving forward, it is projected that SDP's planned expansion into industrial and logistical development will increase its recurring income.
- 15/02/2022  
(The Star) According to Maybank IB Research, UEM Sunrise Berhad expects to sell RM1.5 billion worth of properties in 2022, spurred by RM3.3 billion worth of new launches this year. This anticipated financial turnaround for the corporation will probably enable them to start paying dividends again this year.
- 23/02/2022  
(The Star) In the third quarter that concluded on December 31, 2021, Matrix Concepts Holdings Bhd announced a larger dividend distribution of 52.9% due to a rise in new property sales of about RM94 million or 35.5% year over year.
- 23/02/2022  
(New Straits Times) MGB Bhd, a provider of solutions for real estate development and construction, had its profit after tax for the fourth quarter ended December 31, 2021, increased by 79.20 percent year over year to RM10.34 million from RM5.77 million a year earlier on the strength of a 3.84% increase in revenue at RM188.55 million. A rise in sales for its construction business was responsible for the company's improved financial performance.
- 23/02/2022  
(New Straits Times) The net profit of Sunway Construction Group Bhd increased from RM72.79 million to RM112.59 million in the fiscal year that ended on December 31, 2021. Due to higher sales from the construction and precast segments, revenue increased by 11.4% to RM1.73 billion from RM1.55 billion previously.
- 24/02/2022  
(The Star) IJM Corp Bhd anticipates stronger financial results for the fourth quarter that ends on March 31, 2022, as economic activity continues to rise, and mobility restrictions loosen. The group reported that with unbilled sales of RM2.3 billion, its property segment has seen a solid take-up rate from its broad range of mid-market properties in advantageous locations. With year-to-date sales of RM2.1 billion and third quarter sales of RM1 billion for the property division that concluded on December 31, 2021, there is clear evidence of strong demand, putting them on track to set new local sales records.
- 24/02/2022  
(Edge Property) The net profit for the fourth quarter of LBS Bina Group Bhd, which ended on December 31, 2021, increased to RM35.5 million from RM20.69 million in the prior corresponding period. This was caused by the group's trading, construction, and real estate development divisions performing better. According to LBS Bina, revenue increased in the fourth quarter from RM294.52 million to RM441.84 million. For the fiscal year that concluded on December 31, 2021, the company's net profit rose from RM44.17 million to RM95.07 million, while revenue went from RM1.10 billion to RM1.36 billion.
- 24/02/2022  
(Edge Property) Sime Darby Property Bhd (SDP) reported a net profit of RM72.19 million for the fourth quarter that ended on December 31, 2021, compared to a net loss of RM56.64 million for the previous corresponding period. This improvement was

caused by strong progress billings that were recorded during the quarter after the company's property development segment resumed site progress.

- 24/02/2022 (City & Country) RM1.3 billion more in real estate was sold by Tropicana Corp Bhd for the fiscal year that ended on December 31, 2021. Due to the pent-up demand following the lock down, this represents an astounding increase of 62.4% from the RM802.4 million reported the previous year.
- 25/02/2022 (New Straits Times) The net profit of Sunway Bhd increased significantly from RM357.25 million to RM2.67 billion in the fiscal year that ended on December 31, 2021. The increased operating performance was supported by the stronger contributions from the real estate investment, construction, and other areas, which led to higher earnings.
- 28/02/2022 (The Star) In its fiscal year that concluded on December 31, 2021, SP Setia Bhd outperformed its goal of RM3.8 billion by achieving a record year in terms of sales of RM4.26 billion. The strong sales performance resulted in RM3.76 billion in income, an increase of 17% from the previous year, and a commendable pre-Covid -19 level pre-tax profit of RM542.5 million.
- 28/02/2022 (The Star) In 2022, Kerjaya Prospek Group Bhd hopes to increase new contract gains by 20% annually to RM1.2 billion as a result of the anticipated improvement in the economy this year. The company has achieved about 50% of its key performance indicators for 2021, according to executive chairman Datuk Tee Eng Ho, following its recent win of a construction contract worth RM710.1 million.
- 28/02/2022 (New Straits Times) For the fiscal year that concluded on December 31, 2021, Mah Sing Group Bhd's net profit increased by 70.5% to RM160.86 million from RM94.34 million the previous year, thanks to new property sales that reached their pre-pandemic level of RM1.6 billion.
- 28/02/2022 (Edge Market) Paramount Corp Bhd's net profit for the fourth quarter ended Dec 31, 2021(4QFY21) surged almost seven-fold to RM24.35 million from RM3.53 million a year ago. In a bourse filing, the group said its quarterly revenue soared 68.5% to RM317.34 million from RM188.39million in the corresponding quarter of the previous year. Paramount said the group's improved 4QFY21 performance was mainly due to higher profit contribution from its property division, a one-off gain upon consolidation of a subsidiary, as well as a lower share-based payment to staff and executive directors from the investment and other division.
- 28/02/2022 (Edge Market) Property developer Tropicana Corp Bhd saw its net profit for the fourth quarter ended Dec 31, 2021 (4QFY21) drop by 83.2% to RM7.94 million, from RM47.35 million a year ago, mainly due to the absence of land disposals in the quarter under review. In 4QFY20, the group benefited from the disposal of two parcels of land in Johor Baru for a combined RM157.4 million. As a result, earnings per share for 4QFY21 came in lower at 0.55 sen compared with 3.3 sen for 4QFY20. Quarterly revenue also fell 26.8% to RM263.76 million from RM360.2 million the year before.

The rising costs have affected decline in the profit of Scientex Bhd.

- 13/03/2022 (The Star) In the fiscal year that ended on October 31, 2021, EcoWorld Malaysia reported sales of RM3.52 billion, 23% more than the RM2.88 billion goal it had set for the year and an increase of 53% over the prior fiscal year. In 2021, the real estate company reported revenues of RM2.04 billion and gross profits of RM423.3 million, up RM46.1 million and RM91.8 million from 2020, respectively.
- 16/03/2022 (The Star) Sales for EcoWorld International Bhd increased 68% from a year earlier to RM685 million in the first four months of the fiscal year that ends on October 31, 2022. According to contracts signed, the property developer claimed that the developments Embassy Gardens and London City Island contributed most to sales, respectively.
- 16/03/2022 (New Straits Times) The rising cost of materials and freight contributed to Scientex Bhd's 25% decline in net profit to RM112,17 million for the second quarter that concluded on January 31, 2022, from RM93.69 million a year earlier.
- 18/03/2022 (Edge Market) For the first quarter concluded January 31, Eco World Development Group Bhd (EcoWorld Malaysia) reported a 5.1% rise in revenue to RM533 million. Gross profit increased 13.2% year-on-year to RM114 million thanks to higher sales and the realisation of cost savings on completed and nearly completed phases.
- 31/03/2022 (Edge Market) Despite a possible rate increase in the second half of 2022, the absence of the Home Ownership Campaign, and ongoing overhangs, Sime Darby Property Bhd (SimeProp) is anticipated to meet its conservative RM2.6 billion sales goal for the fiscal year 2022.
- 12/05/2022 (The Star) The first quarter of 2022, which concluded on March 31, saw Teladan Setia Group Bhd's net profit reach its highest level since the company was listed on Bursa Malaysia's ACE Market in March 2021. The Melaka-based property developer saw its profits rise one-third to RM9.5 million from RM7.1 million the previous year, with growth being driven by higher property sales as well as quicker building progress. Teladan Setia's revenue increased by 42.4% to RM58.9 million from RM41.4 million in 1Q21, and its earnings per share increased to 1.18 sen from 0.88 sen earlier during the quarter under review.
- 20/05/2022 (Bernama) The Selangor State Development Corporation (PKNS) anticipates generating earnings of up to RM300 million in 2022. The favourable projection, according to Selangor Menteri Besar Datuk Seri Amirudin Shari, will be predicated on the reorganization of corporate and investment components as well as the contribution from positive trends seen in the construction sector.
- 22/05/2022 (The Star) The first quarter sales of LBS Bina Bhd increased to RM409.02 million from RM402.55 million a year earlier, while the net profit increased to RM30.16 million from RM25.15 million in the prior corresponding period.
- 24/05/2022 (The Star) In comparison to RM74.23 million at the same time last year, SP Setia Bhd reported a net profit of RM67.5 million for the first quarter that ended on March 31, 2022. Lower revenue contributions from both Malaysia and Singapore were the main reason for the revenue decline to RM876.10 million from RM1.05 billion previously. Local projects contributed RM625 million, or 92%, of the group's RM679 million in sales over the same time span.

- 25/05/2022  
(Edge Market) Sales of new properties by Matrix Concepts Holdings Bhd reached a record high of RM1.3 billion in the fiscal year that concluded on March 31, 2022, increasing by 11.3% on an annual basis. The expansion was made possible by the strong demand for affordable luxury houses in the group's premier Sendayan Developments. According to the property developer, more than 60% of the new homes sold in the financial year 2022 were set below the RM500,000 markdown. Additionally, Matrix Concepts disclosed its financial performance for the fourth quarter of the fiscal year 2022. It reported sales of RM250.8 million, down from RM388.2 million the year before, and profit after tax of RM60.7 million, down from RM73.4 million.
- 25/05/2022  
(The Star) Revenue for the third quarter ended March 31 for IOI Properties Group Bhd was RM737.8 million, up 27% from the comparable quarter the year before. The firm said in a statement that the improvement is primarily the result of better performance by all business segments. In the property development sector, the company saw increases in revenue of 25% to RM605.9 million and operating profit of 45% to RM265 million when compared to the same quarter the year before.
- 25/05/2022  
(Edge Market) With a net profit of RM19.02 million for the first quarter ended March 31, 2022, UEM Sunrise Bhd made a profit after suffering a loss of RM4.3 million during the same period in the previous year. Revenue increased by 65% year over year to RM417 million. This was primarily supported by regional real estate development initiatives, as well as the sale of 19 industrial plots in phase three of the Southern Industrial and Logistics Clusters in Iskandar Puteri, Johor.
- 30/05/2022  
(The Edge Markets) Due to reduced margins from its engineering, construction, and quarry divisions, Kedah-based real estate developer Bina Darulaman Bhd (BDB) doubled its net loss to RM6 million for the first quarter ended March 31, 2022 (1QFY22), from RM3 million a year earlier. Due to decreased margins from building operations and road paving works, the division reported a pre-tax loss of RM3.9 million in the current quarter under review compared to a pre-tax profit of RM700,000. As a result, the group reported a larger loss per share for 1QFY22 at 1.97 sen as opposed to 0.99 sen for 1QFY21. This was in spite of the group reporting greater sales for the first quarter of FY22 of RM31.46 million, up 5.2% from RM29.91 million in FY21.
- 30/05/2022  
(The Edge Markets) As the nation transitions into endemicity, the property developer Paramount Corp Bhd's net profit for the first quarter ended March 31, 2022 (1QFY22) increased to RM5.02 million from RM2.29 million a year earlier on stronger contribution from its property division and fewer operational disruptions. Revenue for the company increased by 10.73% to RM168.1 million from RM151.81 million. Though its performance for the quarter was also hampered by the larger loss before tax (LBT) reported by the investment and others division, the company ascribed the improved financial performance to higher earnings from the property division.
- 01/06/2022  
(The Edge Markets) The full consolidation of the Light Rail Transit 3 (LRT3) project, according to Malaysian Resources Corp Bhd (MRCB), led the company's first quarter (1Q) net profit rocket by 170% to RM14.03 million from RM5.2 million a year earlier. According to MRCB, its operating profit climbed to RM52.33 million from



- RM14.87 million, mostly due to the LRT3 project, which at the end of March had made financial and physical construction progress of 63% and 71%, respectively.
- 01/06/2022 (The Star) According to the first quarter's sales, which have already accounted for 23% of the group's financial year 2022 sales target, Mah Sing Group Bhd is on pace to meet its sales target of RM2 billion. Sales of new properties increased in the first quarter of 2022 to RM450 million from RM400 million, or 23% of its RM2 billion sales goal.
- 09/06/2022 (New Straits Times) As more launches and investments are planned, along with anticipated high foot traffic at its malls, Sunway Bhd's profits are anticipated to be better than or comparable to those of its recently released first-quarter results. This is the case now that economic activity has increased. For the first quarter of 2022, the group recorded a pre-tax profit of RM187 million. With the economy improving and borders reopening, Sunway is prepared to maximise the potential of its operations because it anticipates positive effects across all its business sectors. It is anticipated that the performance of the ensuing quarters will at least equal that of 1Q22, with potential for further growth in the property development sector from additional launches and a return to normal margins.
- 13/06/2022 (Edge Market) Packaging manufacturer and property developer, Scientex Bhd, reported a net profit of RM88.33 million for the third quarter that concluded on April 30, 2022, down from RM109.88 million in the prior corresponding quarter, while revenue increased to RM993.84 million from RM976.80 million.
- 02/08/2022 (New Straits Times) With sales of RM2.17 billion during the first seven months of its current fiscal year, which ended on October 31, Eco World Development Group Bhd is on pace to meet its RM3.5 billion goal. The company's second quarter, which concluded on April 30, saw an increase in revenue of 20.6% and a year-over-year increase in gross profit of 54.8%.
- 02/08/2022 (The Star) Real estate developer Mah Sing Group Bhd, is optimistic that it will be able to meet its RM2 billion sales goal for 2022 thanks to the introduction of more affordable homes, which the company thinks will be in greater demand.
- 15/06/2022 (New Straits Times) Tan Sri Lim Hock San, MGB Bhd's executive vice chairman, believes that the company is in a solid position to generate steady revenue over the coming years. Geopolitical challenges and inflation have been the common opponent for construction enterprises in 2022, which has been a turbulent year. Despite this, we'll keep working hard and completing our projects, he stated. Since its founding, MGB, a division of LBS Bina Group Bhd, has built approximately 19,000 residential units, mostly in the cheap housing market.
- 29/06/2022 (New Straits Times) In the third quarter that concluded on April 30 of last year, Gamuda Bhd's net profit increased by 56.1% to RM221.48 million from RM141.88 million, primarily due to higher foreign property earnings. Better earnings performance from its property and construction businesses supported the increased profitability.

- 17/07/2022 (The Edge Market) Beginning with projects in southern Peninsular Malaysia, specifically Melaka, Parkland Group later extended to Negeri Sembilan, Johor, and Selangor. Bandar Botani Parkland, its flagship project in Melaka, strives to highlight lifestyle features and residences within gated and secured communities. A 652-acre township with a gross development value of RM1.6 billion is called Bandar Botani Parkland. Phase 2, which will shortly be launched, has been entirely absorbed since Phase 1, which was introduced in September 2021. Phase 2 will include Rumah Mampu Milik and Rumah Kos Sederhana Rendah projects, as well as 808 units of landed residences in both 1- and 2-story versions. The traditional units start at RM371,000, while the other residences start at RM100,000.
- 21/07/2022 (New Straits Times) Due to the reversal of an impairment loss on financial instruments in the immediately prior quarter, Hua Yang Bhd's net profit for its first quarter ended June 30 dropped by 74.5% year-on-year to RM227,000. Due to lower sales from the Bandar U @ Seri Iskandar and Astetica Residence @ Seri Kembangan real estate developments, revenue for the quarter fell by 29% year over year to RM23.42 million.
- 27/07/2022 (The Edge market) LBS Bina Group Bhd has surpassed its year-to-date sales objective of RM1 billion and is on course to exceed its overall sales target of RM1.6 billion. The achievement is outstanding, according to the company's Executive Chairman Tan Sri Lim Hock San, who stated this in a news statement. "The sales target for 2022 is RM1.6 billion, and I'm happy to report that we've already exceeded that goal by more than RM1 billion, which is a remarkable accomplishment in the first half of 2022."
- 03/08/2022 (New Straits Times) In contrast to a net loss of RM237 million in FY20, Johor Corp Group reported a net profit of RM379 million for the fiscal year that concluded on December 31, 2021, an increase of over 100%. This rise was brought on by RM5.13 billion in revenue, up 19% from RM4.3 billion the year prior. Due to the upward tendency in the prices of palm oil and kernels, the agribusiness segment's revenue increased, which is what caused the results to improve.
- 05/08/2022 (The Star) Sime Darby Property Bhd's sales momentum is anticipated to be strong in the second quarter of 2022, and the group should be able to meet its RM2.6 billion full-year sales goal. The group reported fresh sales of RM888.9 million in the first quarter of 2022. SimeProp's real sales for the fiscal year 2021 totaled a staggering RM2.95 billion.
- 09/08/2022 (New Straits Times) The SP Setia Bhd goal of RM4 billion for the financial year 2022 is still in place despite a decline in real estate sales in the first quarter of 2022. The group, in the management's opinion, is on pace to achieve its sales goal for the fiscal year 2022. The company has new launches worth RM3.1 billion planned for Malaysia between the second and fourth quarters of 2022. Additionally, SP Setia's new product launches in Vietnam will have a significant impact on the group's revenue in the fiscal year 2022.
- 23/08/2022 (The Edge Market) Due to an increase in its confirmed sales as a consequence of successful marketing initiatives, Lagenda Properties Bhd's net profit increased 17.38% to RM50.38 million for the second quarter ended June 30, 2022 (2QFY22) from RM42.92 million a year earlier. As a result of the management's initiative to turn

the group's completed units into sales through efficient marketing methods at accessible pricing to clients, its quarterly revenue increased 51.62% to RM258.55 million from RM170.52 million.

- 24/08/2022 (New Straits Times) Matrix Concepts Holdings Bhd got off to a strong start in the fiscal year that ends March 31, 2023, with a net profit for the first quarter that concluded on June 30 that increased 48.4% year over year to RM47.04 million. Additionally, the company reported strong new property sales of RM309.2 million in 1Q23, an increase of 2.7% from RM300.9 million in the prior quarter.
- 25/08/2022 (New Straits Times) IJM Corp Bhd anticipates a satisfactory performance despite reporting a 49.1% drop in net profit to RM33.4 million for the first quarter ended June 30, 2022. The construction group emphasised that its efforts over the previous two years to increase financial stability by enacting cost-cutting measures, as well as actively reducing its property inventory and low-yielding assets, have paid off, as evidenced by the strengthening of its fundamentals.
- 26/08/2022 (Bernama) The net profit of KSL Holdings Bhd for the second quarter that ended on June 30, 2022 (2QFY22) increased from RM34.02 million to RM55.34 million. From RM132.54 million to RM183.54 million, revenue increased. The group reported a higher net profit of RM66.79 million for the cumulative first half ended June 30, 2022 (1HFY22) compared to RM51.08 million recorded in 1HFY21, while sales increased to RM262.42 million from RM224.99 million previously. If nothing unexpected happens, the group expects the overall operating performance to be satisfactory for the remaining quarters of FY22, according to KSL.
- 30/08/2022 (The Star) Mah Sing Group Bhd reported fresh property sales of RM550 million in the second quarter of the year, bringing its year-to-date total to RM1 billion. The real estate developer claimed that this was its greatest first half and quarterly sales performance since 2017. The group claimed that with the addition of upcoming launches in the second part of the year, it is still on pace to hit its RM2 billion sales goal for 2022.
- 30/08/2022 (The Star) KPJ released its results for the second quarter that concluded on June 30, 2022. Its net profit more than tripled to RM27.1 million from RM6.96 million in the prior quarter, while revenue increased by almost 12% year over year to RM707.57 million. As a result, the healthcare organisation is searching for sound investments to boost its capacity for wellness and preventive care to supplement its current services.
- 31/08/2022 (The Edge Market) A decreased contribution from the construction and property investment segments caused Ekovest Bhd's net loss for the fourth quarter that ended on June 30, 2022 (4QFY22) to soar to RM123.81 million from RM2.66 million a year earlier. Ekovest stated that compared to the RM288.52 million in 4QFY21, the construction industry reported lower revenue of RM72.75 million in 4QFY22. The division thus reported a gross loss of RM5.64 million in 4QFY22 as opposed to a gross profit of RM118.21 million in 4QFY21. The decrease in revenue was attributed by the firm to a decrease in construction operations as a result of a longer lead time for the supply of building supplies. The many Movement Control Orders (MCO) that the government had previously implemented were to blame for the delay.

- 16/09/2022 (The Star) Boustead Properties Bhd is optimistic that its financial performance in 2022 will be superior to that of the prior year. The group announced that the growth in the real estate market this year and interest in the group's launches in Semenyih's Mutiara Hills are remarkable and could be a catalyst to the improvement in performance.
- 19/10/2022 (City & Country) LBS Bina Group Bhd reported sales of 3,886 units totaling more than RM1.6 billion. By doing this, the real estate developer beat his or her sales goal for the fiscal year 2022 before the conclusion of the last quarter. As of October 15, 2021, its strong sales success in 2022 had grown by 85.8% year over year, totaling RM863 million. Particularly, Klang Valley demonstrated an admirable take up rate, contributing 89% to the overall sales number.
- 20/10/2022 (City & Country) Under the support of the new real estate projects, Glomac Bhd is optimistic that sales in its current fiscal year, which ends on April 30, 2023, will be able to exceed the RM160 million realised in its prior fiscal year. Sales have already exceeded RM120 million in the current fiscal year, and the company plans to increase its development efforts with RM469 million worth of new launches, especially in the third and fourth months of the current fiscal year.
- 25/11/2022 (New Straits Times) I-Bhd, which reported a net profit of RM15.6 million for the third quarter that concluded on September 30, 2022, is confident that the group will advance thanks to its strong fundamentals and numerous strategic partnerships. In 3Q22, the group officially launched the DoubleTree by Hilton. High occupancy rates for visitors and activities are very encouraging for the hotel. As a result, the company anticipates that by the following year, it will significantly increase the leisure segment's income.
- 25/11/2022 (The Star) Due to a one-time fair value gain, IOI Properties Group Bhd's first quarter ended September 30 net profit more than tripled, but the company still sees challenges around the world and is cautious about its prognosis. As it prepares to navigate through significant headwinds across its developments in Malaysia, Singapore, and China - the three nations it conducts business in - it continues to be aware of the global challenges.
- 25/11/2022 (Edge Markets) Due to delays in receiving approvals from the necessary authorities, UEM Sunrise bhd will likely fall shy of its goal of RM3.3 billion in new property development launches for the financial year 2022. Only RM517million in GDV totaled from the property developer's openings over the first nine months of this year.
- 30/11/2022 (The Star) A crucial sign of potential earnings near the conclusion of the fiscal year is Sime Darby Property Bhd's strong sales momentum since the beginning of the year. The real estate developer anticipates additional launches in the residential and industrial sectors as well as the return of high-rise residences in Putra Heights, Selangor, and Taman Melawati, Kuala Lumpur, for the year's final quarter.
- 01/12/2022 (New Straits Times) In the second quarter of its current fiscal year, which ends on April 30, 2023, Glomac Bhd reported greater revenue than it did in the corresponding quarter of fiscal year 2022, posting RM78.4 million. Its pre-tax profit was RM17.5 million, but the profit that was attributable to the company's owners was greater at RM11.8 million.

- 01/12/2022 (New Straits Times) The final quarter of the fiscal year 2022 is expected to see Kerjaya Prospek Group Bhd produce a stronger earnings performance as it achieves greater work progress and benefits from falling construction material prices. Further job wins are anticipated for the construction company, which has already slightly surpassed its financial year 2022 new job goal after winning contracts worth RM1.57 billion since the year's beginning.
- 02/12/2022 (City & Country) Due to delays in tender decisions following the 15th General Election, WCT Holdings Bhd's order book replenishment goal of RM1 billion for its financial year ending Dec. 31, 2022, is unlikely to be met. However, according to Kenanga Research, the prospects for the group's construction division in FY23 are more encouraging because "certain public projects, namely a hospital construction and a flood mitigation project earmarked in Budget 2023, will at best only come through in the first quarter of 2023."
- 09/12/2022 (City & Country) According to Hong Leong Investment Bank Research, OSK Holdings Bhd's core earnings will increase at a compound annual growth rate of 10.2% from the financial years 2022 to 2024 as a result of a healthy pipeline of real estate launches, steady loan growth in capital financing, capacity development, and robust growth. OSK's earnings for the financial year 2022, 2023 and 2024 are expected to hit RM379.9 million, RM422.9 million and RM461.2 million respectively.
- 16/12/2022 (New Straits Times) Eco World International Bhd achieved RM2.61 billion in sales for its financial year ended Oct 31, 2022, which was 57% higher than that of financial year 2021. The sales achieved were also 8% above its RM2 billion sales target for financial year 2022, with Embassy Gardens and London City Island being the primary contributors with RM749 million and RM328 million in sales respectively.
- 04/01/2023 (Edge Market) Mah Sing Group is optimistic about the property sector's prospects in 2023, as robust demand for its recent launches of the M series properties enabled it to achieve RM1.69 billion in sales as of Sept 30, 2022. The property developer is on track to achieve its 2022 sales target of RM2 billion and has set its sales target for 2023 at a minimum of RM2.2 billion. According to the Founder and the group managing director Tan Sri Leong Huy Kum, the group will continue to scout for land acquire new land, supported by its confidence in the M-Series of affordable homes and backed by healthy balance sheets.
- 11/01/2023 (New Straits Times) Despite macroeconomic headwinds this year, LBS Bina Group Sdn Bhd remains optimistic about hitting its property sales target of RM2 billion. The group's chairman Tan Sri Lim Kock San said while the global economy may not be able to maintain its momentum from 2022 but it is still expected to be stable. LBS Bina had managed to surpass its sales target of RM1.6 billion by 25% to RM2 billion in 2022. Therefore, there is an expectation for the group to achieve RM2 billion in property sales in 2023.
- 08/02/2023 (New Straits Times) Kerjaya Prospek Group Bhd is set to see a surge in earnings in its fourth quarter for the financial year 2022 due to a stronger labour force and job flows. The construction and engineering group has received over 280 workers from Nepal since August last year. According to RHB Research, Kerjaya would have enough workers to meet its manpower requirements moving forward.



- 22/02/2023 (Edge Markets) Negri Sembilan-based property developer Matrix Concepts Holdings Bhd is expected to maintain its sales momentum with consistent earnings over the next few years despite cost pressures and supply chain disruptions. The group's take-up rate is expected to be maintained at 90.2%. Its net margin as at second quarter of financial year 2023 was at 22.7%, which is close to its five-year average of 22.2% due to low land cost of RM9 per sq ft in its flagship development, Sendayan Developments and cost savings from in-house procurement and construction.
- 23/02/2023 (City & Country) Kuala Lumpur Kepong Bhd (KLK) expects lower prices to lead to softer profits from its plantation segment for its financial year ending September 30, 2023. The group has announced that notwithstanding the price discount to soybean oil, palm oil prices have eased considerably from the historically high levels seen recently, leading KLK to expect its financial performance to be subdued in FY23 compared to FY22.
- 23/02/2023 (New Straits Times) Eatern & Oriental Bhd, which is seeing a strong earnings recovery, is optimistic about the prospects of its property and hospitality segments. The group has announced that it is looking forward to its upcoming launches given the strategic location and well-accepted product offering E&O said that higher revenue recognition from The Meg, its ongoing project on Andaman Island, Penang, and land reclamation of Seri Tanjung Pinang Phase 2A have been the primary contributors to the higher revenue margin during the current financial year.
- 24/02/2023 (The Star) Sunway Property is targeting sales of RM2.3 billion for 2023, on the back of a better economic outlook and improving buyer sentiment. The group is confident that with a strong pipeline of projects that are rightly designed for the current market conditions and targeting the right buyer segment, the target of RM2.3 billion in sales for this year is highly attainable. Managing Director Sarena Cheah has announced that Sunway Property has achieved RM2 billion in sales with an unbilled revenue of RM4.3 billion for its financial year ended Dec 31, 2022. In the same period, the developer also delivered over RM1.3 billion worth of projects and has a total remaining land bank of 3292 acres, with a potential GDV of RM58.9 billion.

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**Opportunities**

- Influx of international travelers
- Increases in the domestic and foreign investments especially after the ratification of RCEP and CPTPP
- Positive economic growth

**Threats**

- Increase in the interest rates
- High inflations
- Geopolitical tension

**MARKET OUTLOOK**

Sectors	Klang Valley	Johor Bahru	Pulau Pinang	Ipoh
<b>Residential property sector</b>				
✓ Landed residential houses	Stable to positive	Stable to positive	Stable to positive	Stable
✓ Apartment / Condominium	Stable to negative	Stable to negative	Stable to positive	Negative
✓ Serviced apartment / SOHO	Stable to negative	Stable to negative	Stable to negative	Negative
<b>Commercial property sector</b>				
✓ Shopoffices	Stable	Stable	Stable	Stable
✓ Purpose built offices	Stable to negative	Stable to negative	Stable to negative	Stable to negative
✓ Shopping complexes	Stable to negative	Stable to negative	Stable to negative	Stable to negative
<b>Hospitality property sector</b>				
✓ Hotels & resorts	Stable to positive	Stable to positive	Stable to positive	Stable to positive
✓ Serviced suites used as AirBnb	Stable to negative	Stable to negative	Stable to negative	Stable to negative
<b>Industrial property sector</b>				
✓ Standard developer's designed factories	Stable	Stable	Stable	Stable
✓ Industrial land	Stable to positive	Stable to positive	Stable to positive	Stable

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We welcome any enquiries and feedback on our report. Kindly forward your enquiries and feedback to [wschan@cco.com.my](mailto:wschan@cco.com.my).

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This publication provides general overview of Malaysian property market trend and such trend may differ for some micro locations and specific property types in Klang Valley, Johor, Pulau Pinang and Perak.

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