



2020/
2021

PROPERTY MARKET REVIEW



CONTENTS

FOREWORD | 2

PROPERTY MARKET SNAPSHOT | 4

NORTHERN REGION | 7

CENTRAL REGION | 33

SOUTHERN REGION | 57

EAST COAST REGION | 75

EAST MALAYSIA REGION | 95

THE YEAR AHEAD | 110

GLOSSARY | 113

This publication is prepared by Rahim & Co Research for information only. It highlights only selected projects as examples in order to provide a general overview of property market trends. Whilst reasonable care has been exercised in preparing this document, it is subject to change without notice. Interested parties should not rely on the statements or representations made in this document but must satisfy themselves through their own investigation or otherwise as to the accuracy. This publication may not be reproduced in any form or in any manner, in part or as a whole, without written permission from the publisher, Rahim & Co Research. The publisher accepts no responsibility or liability as to its accuracy or to any party for reliance on the contents of this publication.

FOREWORD

by TAN SRI DATO' (DR) ABDUL RAHIM ABDUL RAHMAN
EXECUTIVE CHAIRMAN, RAHIM & CO GROUP OF COMPANIES



2020 came through as the year to be remembered but not in the way anyone had expected or wished for. Malaysia saw its first Covid-19 case on 25th January 2020 with the entrance of 3 tourists via Johor from Singapore and by 17th March 2020, the number of cases had reached above 600 and the Movement Control Order (MCO) was implemented the very next day. For two months, Malaysia saw close to zero market activities with only essential goods and services allowed as all residents of the country were ordered to stay home. It was a trying time for many in many ways: physically, mentally and financially.

One of the first few sectors to be impacted significantly by the pandemic and border closures were the tourism and retail sectors. During the MCO period, news of hotel closures and employment retrenchments were seen as businesses struggled to stay afloat with no revenue coming in and no end point in sight. Even when movement restrictions were lifted, a new norm had taken place and many found themselves having to readjust to a new market dynamic. New terms like social distancing and work-from-home had forced commercial operators to re-strategize their layout and service provision to suit the new norm.

“BUYERS, NOW WITH AN EVEN TIGHTER WALLET AND FACING POTENTIAL EMPLOYMENT INSECURITIES, CONTINUED ON WITH THE ‘WAIT & SEE’ MODE FOR THE BEST BARGAINS TO BE OFFERED AS FINANCIAL PRIORITIES AND SPENDING PATTERNS HAVE TAKEN A CHANGE FOR LONGER SUSTAINABILITY”

Property market activities for the first half of the year dropped -27.9% compared to the first half of 2019, with total value of transactions dropping -31.5%. When the economy reopened, transaction numbers rebounded in the third quarter, recording a +7.4% increase compared to the third quarter in 2019, pulling up the year's 9-month performance drop to -15.8%.

For the residential property market, as the biggest segment of Malaysia's real estate, both developers and buyers found themselves in a new environment where virtual galleries and online communication was the way to go amidst a pandemic-ridden market as physical expos and campaign runs were discouraged to avoid public crowding. New launches were postponed as developers shifted their focus on to ongoing projects that had experienced delays in construction progress due to MCO halting construction activities for at least 2 months if not more.

Buyers, now with an even tighter wallet and facing potential employment insecurities, continued on with the 'wait & see' mode for the best bargains to be offered as financial priorities and spending patterns have taken a change for longer sustainability. International buyers too were affected in their investment appetite due to temporary border restrictions and uncertain demand levels. The government had announced a number of

economic stimulus packages including PENJANA Short-term Economic Recovery Plan which introduced measures to stimulate the property market like the Home Ownership Campaign. This is further complemented with the RM323-billion expansionary budget announced on November 6, with the aim of strengthening and sustaining the nation's economic recovery and momentum.

In an effort to capture the pandemic's impact on Malaysia's property market, this year's issue of **Rahim & Co's Property Market Review 2020/2021** covers all 14 states nationwide and goes through the major sectors for each respective state. From unfortunate news of closures and exits to the more encouraging new launches and openings, readers will be able to have a glimpse of how each state had held up against the disruptive pandemic and survived through the unprecedented year.

And with that, I wish all readers a good read and should there be any inquiries on real estate matters in Malaysia, I invite you to contact any of our 23 offices nationwide listed in the directory included in this book. Until then, let us all brave this challenging times together, and continue to #kitajagakita.



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

PROPERTY MARKET SNAPSHOT 1H 2020

MOVEMENT

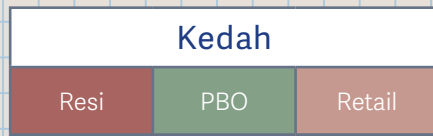
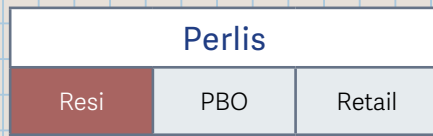
Decrease		Increase		
Major	Moderate	Stable	Moderate	Major
>-10%	<-10%	Stable	<10%	>10%

Resi (Residential)
Growth of Residential Property Transaction Volume (1H 2019 VS 1H 2020)

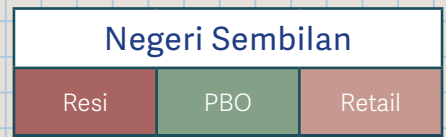
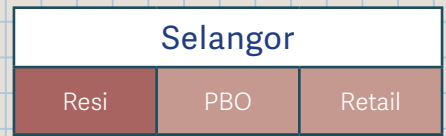
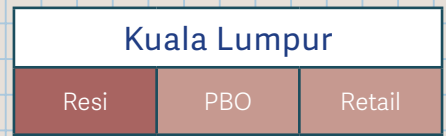
PBO (Purpose Built Office)
Growth of Purpose Built Office Occupancy Rates (1H 2019 VS 1H 2020)

Retail
Growth of Retail Complex Occupancy Rates (1H 2019 VS 1H 2020)

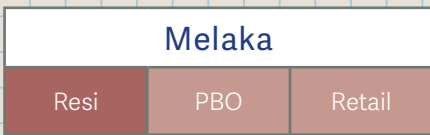
NORTHERN REGION



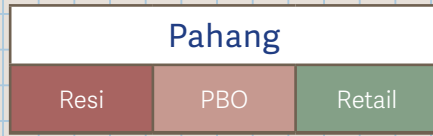
CENTRAL REGION



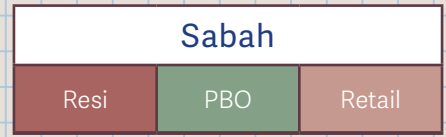
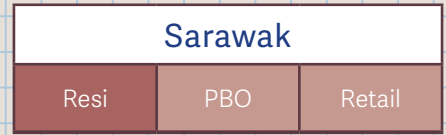
SOUTHERN REGION



EAST COAST REGION



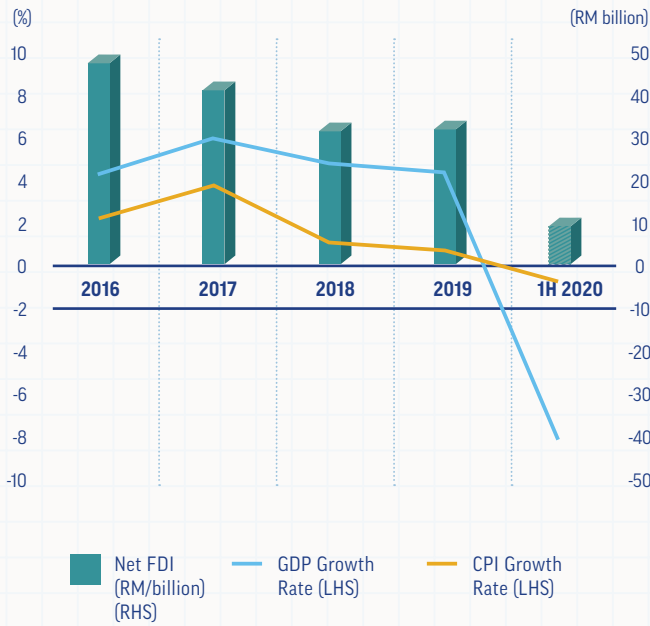
EAST MALAYSIA REGION



KEY ECONOMIC INDICATORS

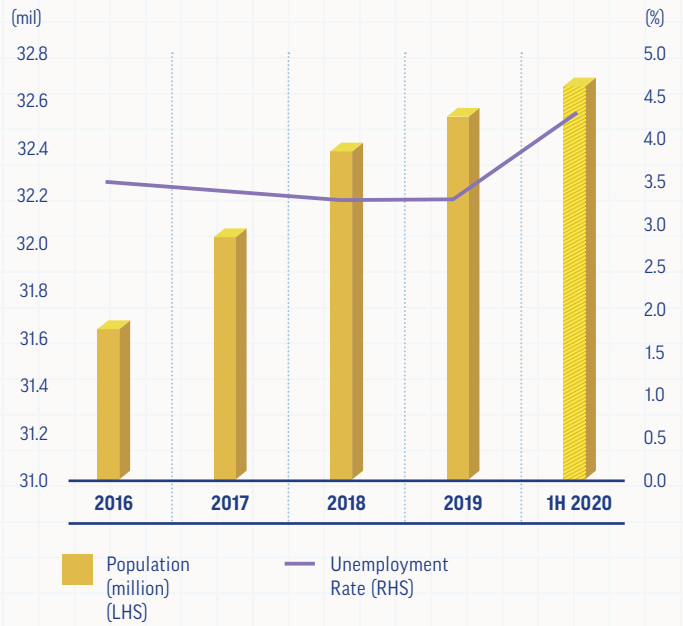
GDP & CPI Growth Rate and Net FDI (2016 - 1H 2020)

(Source: BNM)



Population & Unemployment Rate (2016 - 1H 2020)

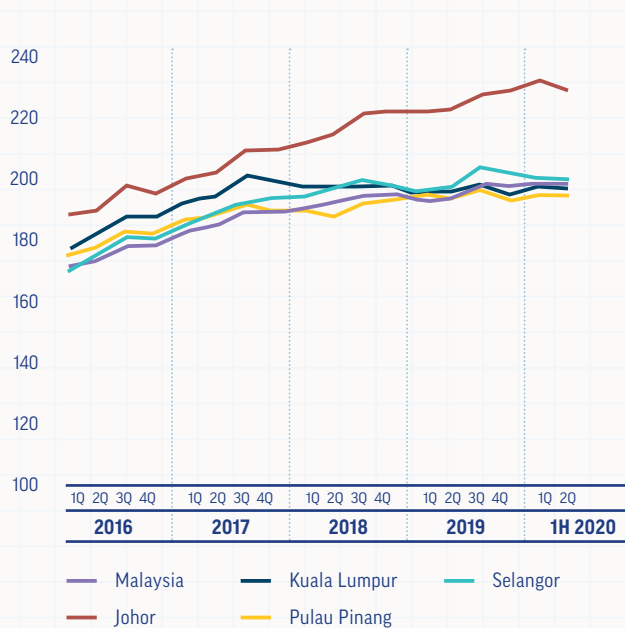
(Source: DOSM)



KEY PROPERTY MARKET INDICATORS

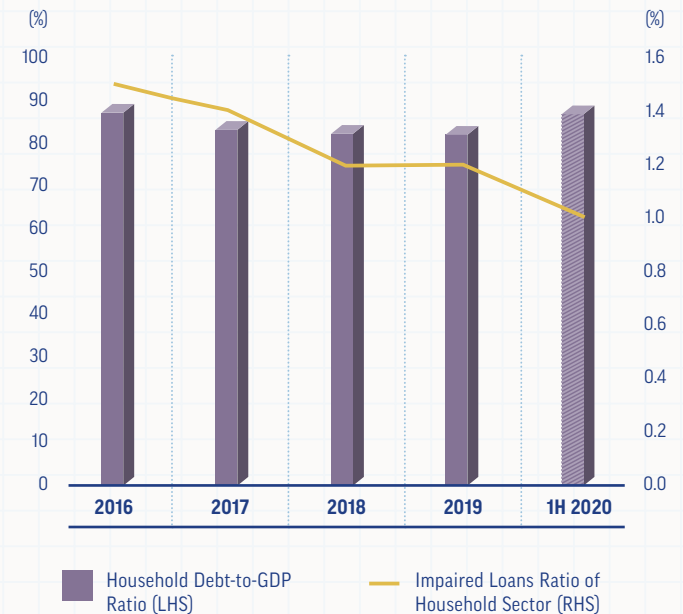
Quarterly House Price Index (2016 - 1H 2020)

(Source: IHRM, JPPH)



Household Debt-to-GDP Ratio & Impaired Loans Ratio of Household Sector (2016 - 1H 2020)

(Source: BNM)



A photograph of the Langkawi SkyBridge in Kedah, Malaysia. The bridge is a suspension bridge with a tall central pylon and several cables supporting the deck. It spans a deep valley with lush green forest. The sky is overcast. The image is used as a background for a document cover.

Perlis

Kedah

Pulau Pinang

Perak

NORTHERN REGION

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	26,153 units	↑ 0.3% y-o-y
Transaction Volume	290 units	↓ 30.3% y-o-y
Transaction Value	RM59.19 mil.	↓ 39.1% y-o-y

RETAIL

Supply	0.60 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	100.0%	↔ 0.0% y-o-y
Rental	Prime: RM0.80psf – RM2.70psf	

SHOP OFFICE

Supply	5,593 units	↑ 6.4% y-o-y
Transaction Volume	33 units	↓ 28.3% y-o-y
Transaction Value	RM18.50 mil.	↓ 34.1% y-o-y

HOTEL

Existing Supply	1,245 rooms	↑ 1.0% y-o-y
Incoming Supply	120 rooms	

INDUSTRIAL

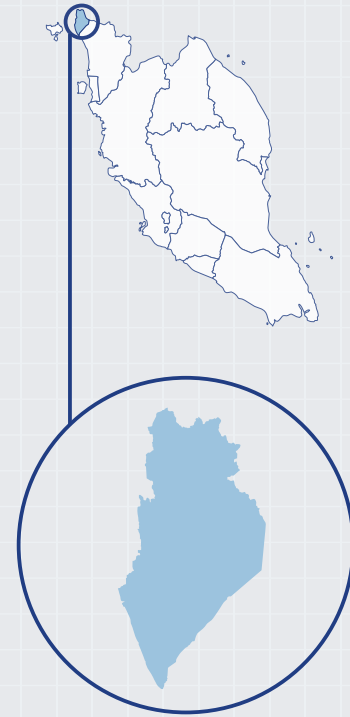
Supply	296 units	↑ 23.8% y-o-y
Transaction Volume	3 units	↓ 57.1% y-o-y
Transaction Value	RM0.94 mil.	↓ 39.4% y-o-y

Capital: Kangar

Est. Population: 0.25 million

Area (km²): 816

(Source: DOSM)



PERLIS
INDERA KAYANGAN

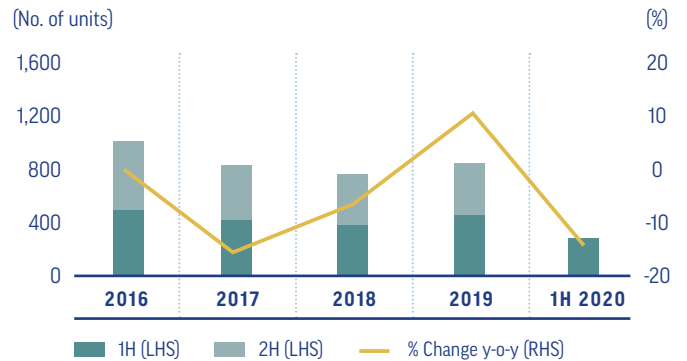
RESIDENTIAL

As at 1H2020, the existing supply of residential units in Perlis stood at 26,153 units of which 35% are low-cost houses and 33% being terraced houses. By location, areas with notable presence of residential property numbers are Arau, Kuala Perlis, Sena, Utan Aji and Wang Bintong. Unsold residential units for Perlis by 1H2020 are on the low side with only 44 units of 2-3 sty terraced houses and 1-sty semi-detached houses, both priced within the RM300,001 to RM400,000 bracket.

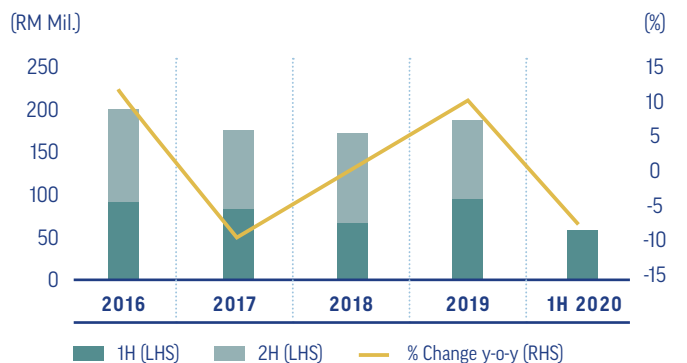
Landed homes remain predominantly the preferred type of homes for the locals of Perlis as evidenced by not only its 91% contribution to total supply count, but also that 78% of 1,422 incoming units are of terraced and semi-detached houses. Of the non-landed units, only 60 units of low cost flats are recorded to be in the pipeline.

On transaction activities, the residential market felt its share of Covid-19 disruption as shown by the fall in both volume and value of residential purchases within the review period; contracting at 30.3% and 39.1% respectively to 290 transacted units worth RM59.2 million. 93% of these transactions went below RM400,000. Having pushed market performance to be at its lowest since 2016 after 2019's recovery attempt, the challenge to boosting up the residential property market has grown bigger than before.

Number of Residential Property Transactions in Perlis (2016-1H 2020) (Source: JPPH)

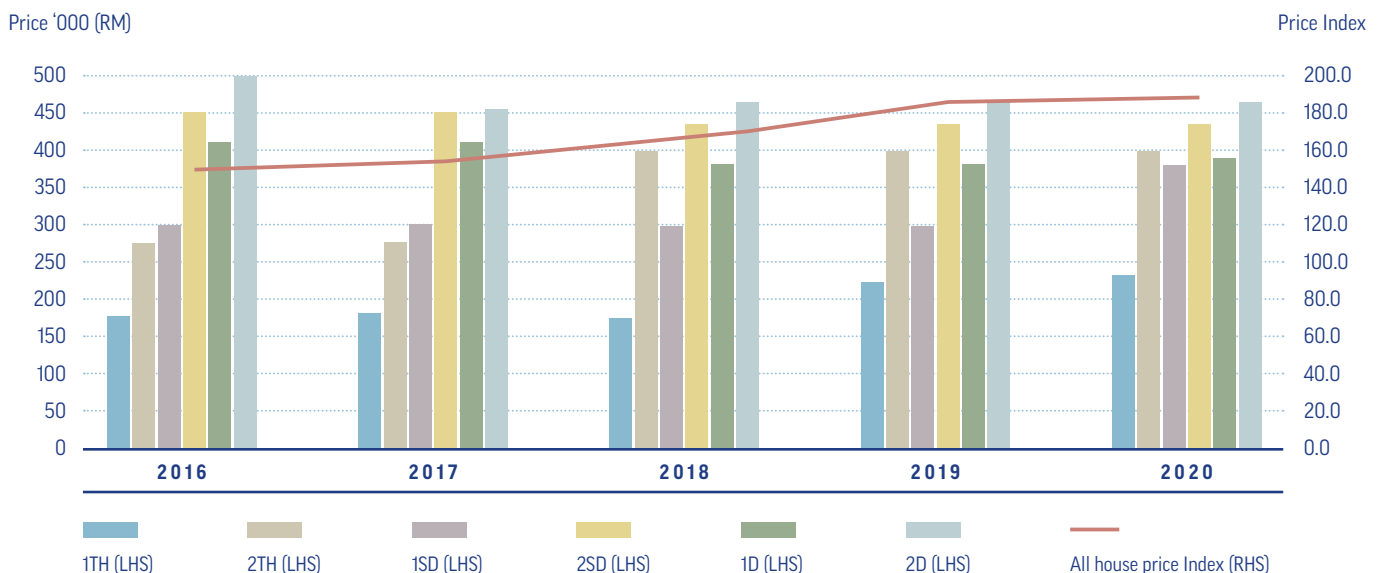


Value of Residential Property Transactions in Perlis (2016-1H 2020) (Source: JPPH)



Kangar Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



“ON TRANSACTION ACTIVITIES, THE RESIDENTIAL MARKET FELT ITS SHARE OF COVID-19 DISRUPTION AS SHOWN BY THE FALL IN BOTH VOLUME AND VALUE OF RESIDENTIAL PURCHASES WITHIN THE REVIEW PERIOD”

Selected Upcoming Residential Properties in Perlis

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Taman Ria	Arau	1-sty Semi-Detached	16	From RM325,000	2021
Semi @ Jalan Dato Ali	Kangar	2-sty Semi-Detached	20	From RM488,800	2022
Taman Seri Embun	Kangar	1-sty Semi-Detached	11	From RM349,800	2022
		2-sty Semi-Detached		From RM499,570	
		1-sty Detached		From RM550,000	
		2-sty Detached		From RM798,000	
Taman Saujana Idaman	Arau	1 ½-sty Terraced	51	From RM268,000	2023

Following the news in August 2020 of 24 PR1MA projects being cancelled as announced by the Ministry of Housing and Local Government, the sole PR1MA project in Perlis remains on board as it was completed in late 2020. Named Residensi Padang Siding, it comprises of 228 terraced units priced at RM153,900.

In 2020, transacted prices for 1-storey terraced houses in areas of Taman Hijrah and Taman Aman averaged at RM226,000 whilst 2-storey terraced houses in Taman Temak Jaya and Taman Sri Murni are at a higher RM400,000 on average. For semi-detached homes in areas of Taman Santan Indah, Taman Utama Indah and Taman Bukit Kaya, prices hover between RM380,000 to RM440,000.

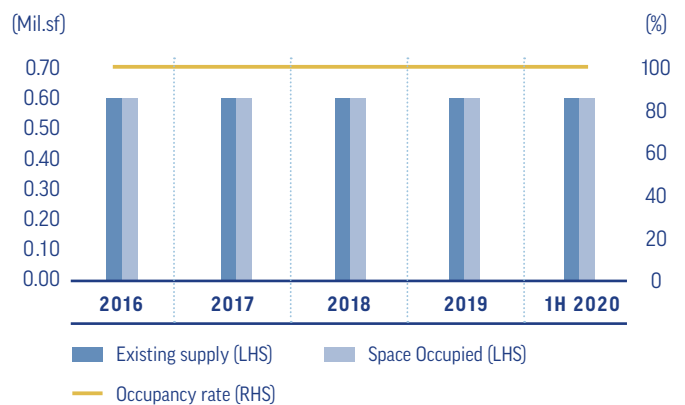
RETAIL

The retail property market of Perlis has remained unchanged since 2016 with supply of retail mall space maintaining at 601,401sf at 1H2020 and occupancy rate remaining at 100% since 2014. There are 21 existing retail malls for the whole of Perlis with the majority located in Kangar.

The ground rental rates in Kangar ranges between RM0.80psf to RM2.70psf for selected retail complexes such as Kayangan Square, Kompleks MARA with the exception of Pasaraya GIANT who, considering the limited spaces offered – reach a much higher RM8.90psf. But looking to other areas, Kompleks Tok Arau comes on top with the highest rental rates of up to RM14.60psf.

Existing Supply & Occupancy Rate of Retail Spaces in Perlis (2016-1H 2020)

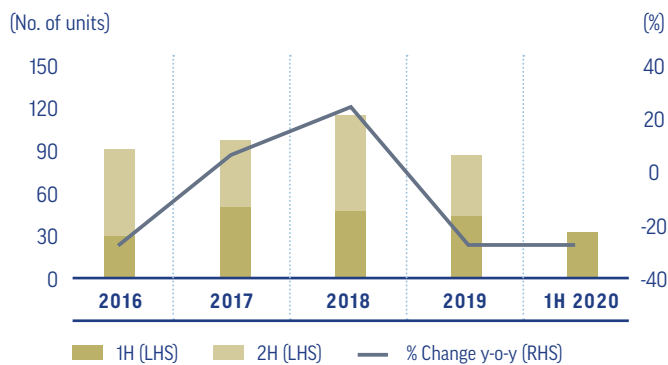
(Source: JPPH)



SHOP OFFICE

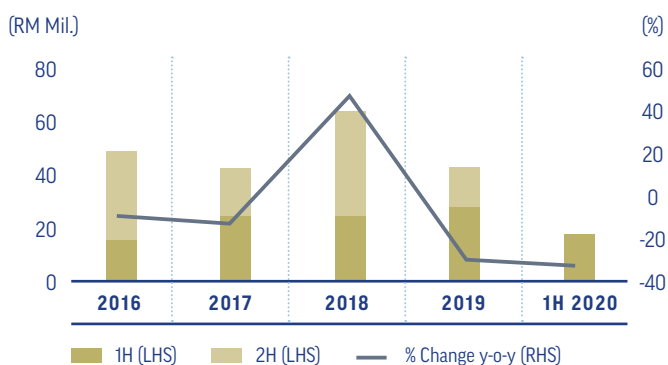
Number of Shop Office Property Transactions in Perlis (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Perlis (2016-1H 2020)

(Source: JPPH)



As at 1H2020, transaction activities in Perlis have dropped slightly to 33 transactions valued at RM18.5 million. In comparison to 1H2019, transaction numbers further dropped by 13 transactions whilst value decreased by 34.1%.

On the supply side, there is slight increase within the review period of 6.7% to 5,628 shop office units across Perlis. 1-sty and 2-sty storey shop offices dominate the market in supply with a contribution of 78% and this is correspondent to both being also being the most popular transacted types within the review period, taking up 60% of total transaction count.

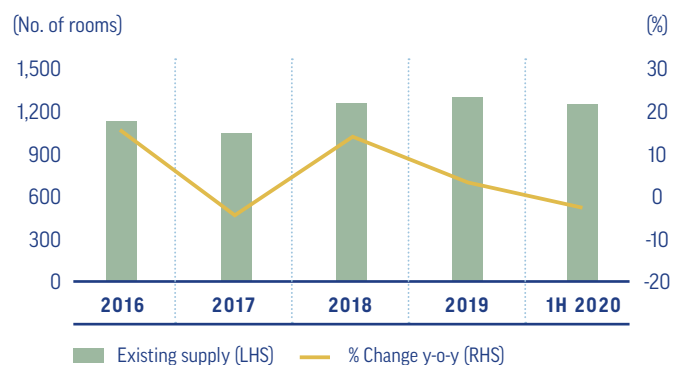
In 2020, 2-storey shop offices in Taman Bintong Mewah and Taman Padang Besar Indah were transacted at RM580,000 and up to RM600,000. Larger units at 3-storey high in Kangar Jaya went at RM1 million.

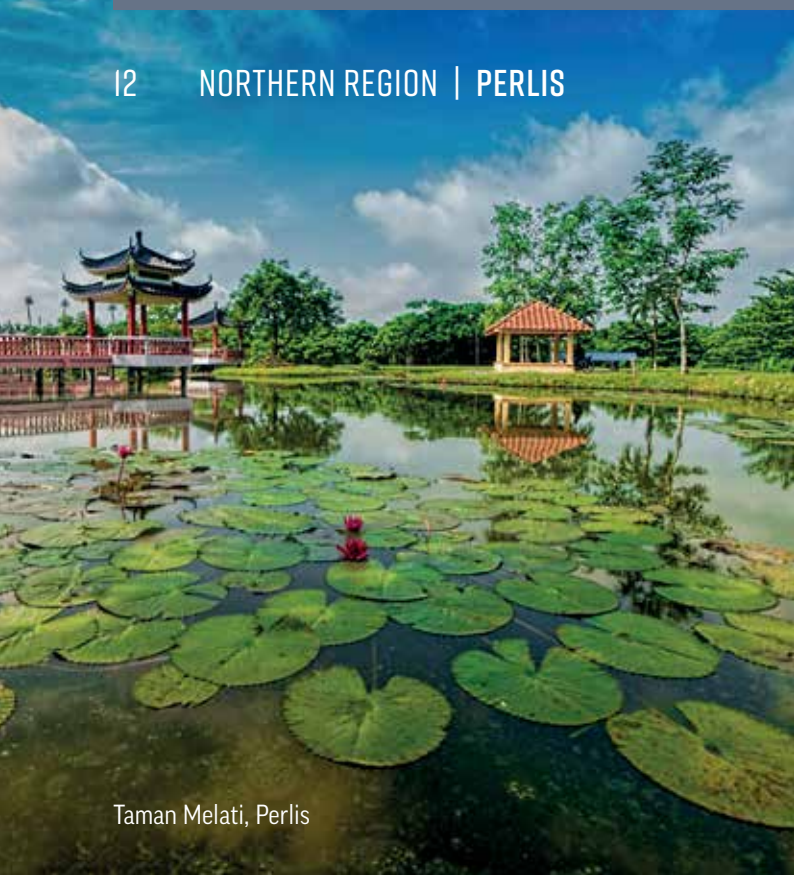
HOTEL

As at 1H2020, the existing supply of hotels in Perlis stood at 1,245 room which equates to a total of 32 hotel establishments. Of these hotels, the three well-known establishments are Putra Regency Hotel, Putra Brasmana Hotel and Hotel Seri Malaysia Kangar rated at 2 or 3-stars. Statistics show Perlis to be expecting 120 new hotel rooms from 2 new establishments in the future supply.

Existing Supply of Hotels in Perlis (2016-1H 2020)

(Source: JPPH)





Taman Melati, Perlis

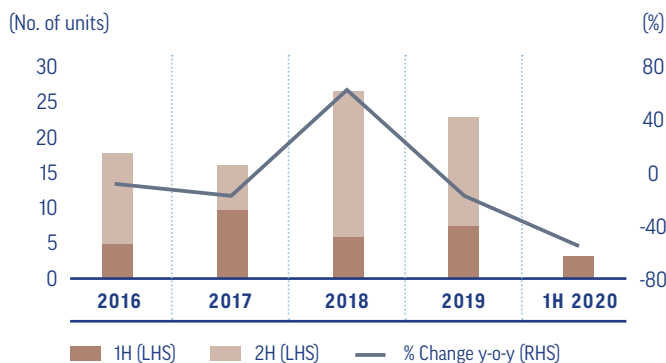
INDUSTRIAL

The industrial sector of Perlis has seen a mix in movement of transaction activities but as Covid-19 swept through the first half of 2020, transaction activities fell notably by 57% to only 3 transactions, the lowest since 2016. Value too suffered a drop of 39% to RM0.94 million although it had already been dropping since 2018.

The existing supply of industrial units in Perlis have slightly increased to 296 units within the review period with the addition of 57 new units into market. Of this total, terraced factory/warehouse and detached types dominated the market with a contribution of 80%.

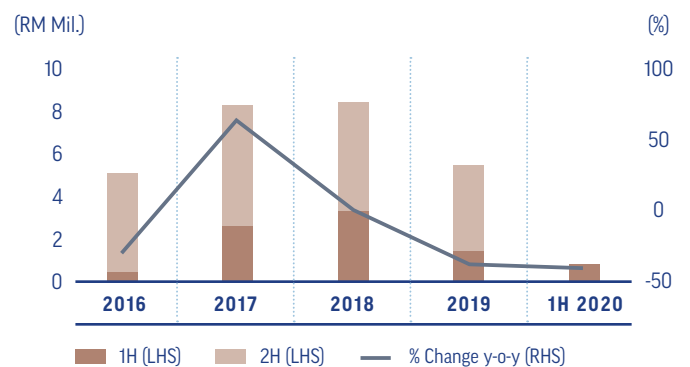
Number of Industrial Property Transactions in Perlis (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Perlis (2016-1H 2020)

(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- Phase 1 of the Chuping Valley Industrial Area has commenced its earthwork and infrastructure construction and scheduled for completion by 2022.

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	338,347 units	↑ 2.0% y-o-y
Transaction Volume	4,928 units	↓ 16.7% y-o-y
Transaction Value	RM1.13 mil.	↓ 7.9% y-o-y

RETAIL

Supply	6.34 mil. sf	↑ 0.7% y-o-y
Occupancy Rate	74.5%	↓ 2.5% y-o-y
Rental	Prime: RM3.00psf – RM23.00psf	

SHOP OFFICE

Supply	30,645 units	↑ 2.6% y-o-y
Transaction Volume	299 units	↓ 35.1% y-o-y
Transaction Value	RM125.59 mil.	↓ 34.9% y-o-y

HOTEL

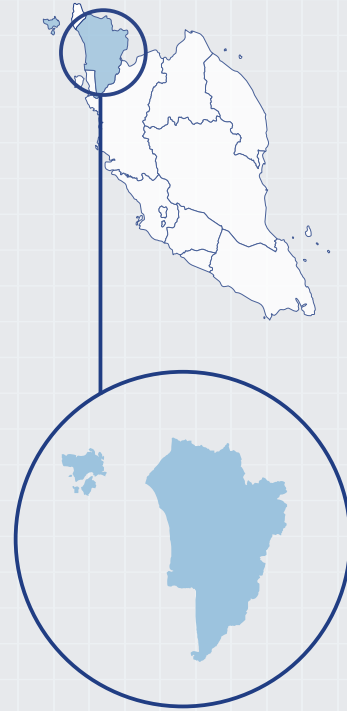
Existing Supply	13,154 rooms	↓ 1.8% y-o-y
Incoming Supply	756 rooms	

INDUSTRIAL

Supply	3,858 units	↔ 0.0% y-o-y
Transaction Volume	76 units	↓ 27.6% y-o-y
Transaction Value	RM133.56 mil.	↓ 36.2% y-o-y

Capital: Alor Setar
Est. Population: 2.18 million
Area (km²): 9,492

(Source: DOSM)



KEDAH

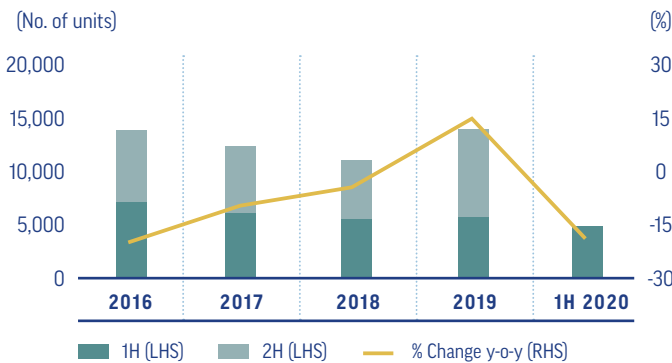
DARUL AMAN

RESIDENTIAL

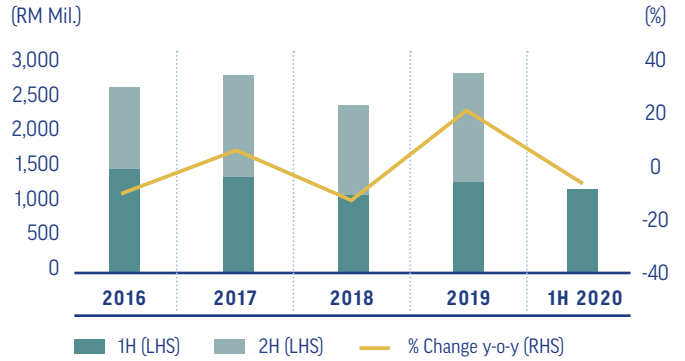
The existing residential supply of Kedah, as at 1H2020, stood at 338,347 units with a growth of 2% from 1H2019. Of this total number, 88% are mainly located in areas of Kota Setar, Kuala Muda, Kubang Pasu and Kulim – Sungai Petani of Kuala Muda currently being the choice of residence for locals.

Of the supply, landed homes remain predominant with a 97% share while the high-rise segment still on the low side. In the near future, Kedah will be expecting the arrival of 14,866 new residential units that are already under construction. This number, in addition to the overhang

Number of Residential Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)



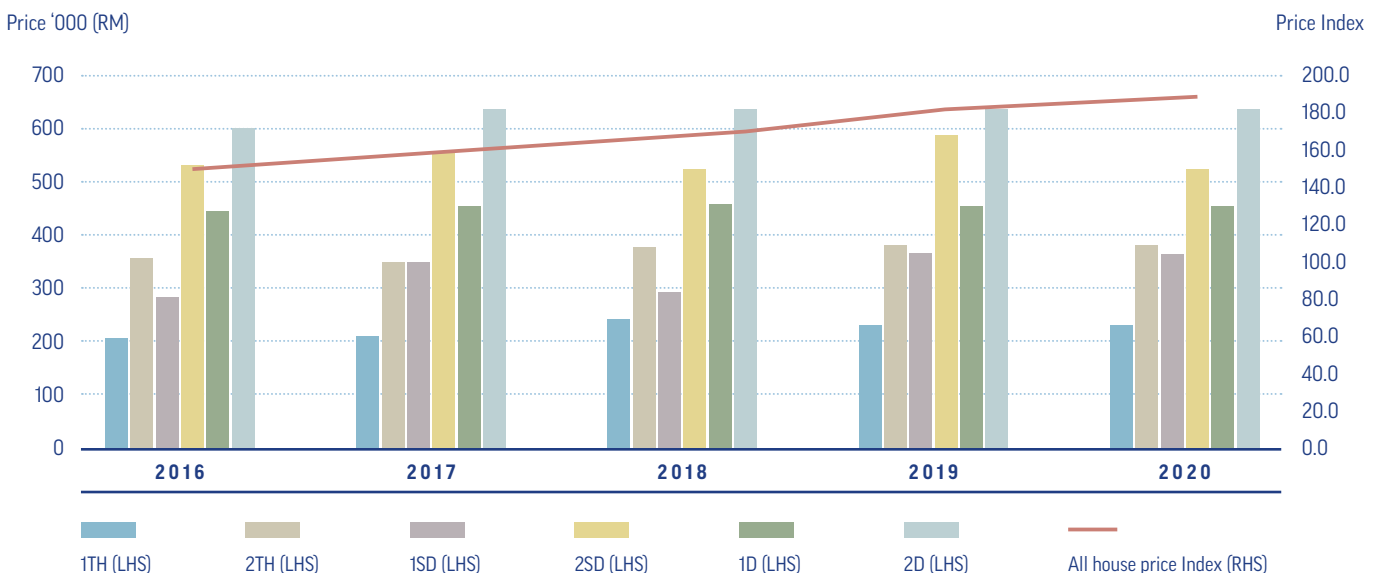
Value of Residential Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)



count at 1,341 units worth RM380.59 million, extends the ongoing concern on how Kedah’s market will absorb these new incoming residential units amidst passive market sentiment. Of the overhang units, 70% are within the price range of RM200,001 to RM400,000 and 88% are the terraced and semi-detached types.

Although Kedah’s residential sector had seemed to bottom out by 2018 and picked up in 2019, 1H2020 fell short in maintaining that recovery pace as Covid-19 took over for more than half the year. Within the review period, transaction activities fell by 16.7% to 4,928 units worth RM1.13 billion – value too suffered a fall of 7.9%. On a 5-year perspective, Kedah’s top market activity level was in 2016, followed closely by 2019.

Alor Setar Residential Property Price Trend & House Price Index (2016 - 2020) (Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Kedah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Taman Amira	Alor Setar	2-sty Semi-Detached	10	From RM588,800	2021
		2-sty Terraced	19	From RM438,800	2021
Taman Temin Jaya 2	Changlun	2-sty Terraced	7	From RM290,800	2021
		2-sty Semi-Detached	14	From RM351,800	2021
Residensi Enesta Desa Aman	Kulim	Apartment	296	From RM180,000	2021
Taman Kempas	Kulim	2-sty Semi-Detached	8	From RM668,000	2021
Taman Purnama	Jitra	1-sty Semi-Detached	30	From RM325,900	2022
Taman Tunku Intan Safinaz	Jitra	2-sty Terraced	75	From RM383,000	2022
Lavanya Residence	Langkawi	Serviced Apartment	223	From RM623,000	2022
Taman Universiti Bestari	Bedong	1-sty Terraced	52	From RM199,800	2022
Avani Heights @ Amanjaya	Sungai Petani	1-sty Detached	72	From RM698,800	2022
G Residence	Alor Setar	Condominium	120	From RM329,000	2023
Enesta Venue @ Desa Aman	Kulim	1-sty Terraced	213	From RM255,000	2023
The Bay Residences Tower 1 @ Aman Laut	Kuala Kedah	Serviced Apartment	152	From RM288,000	2023

“THE EXISTING RESIDENTIAL SUPPLY OF KEDAH, AS AT 1H2020, STOOD AT 338,347 UNITS WITH A GROWTH OF 2% FROM 1H2019”

On average transacted prices in Alor Setar, 1-sty terraced houses in areas of Taman Saga and Taman PKNK were observed at RM230,000 whereas 2-sty terraced houses in the same areas are at RM387,000. For the bigger units of 1-sty semi-detached houses in Taman Golf and Taman Anggerik, prices were tagged at RM367,000. 2-sty semi-detached units in Taman Lumba Kuda and Taman Anggerik came up to RM513,000.

Though Alor Setar is the capital of Kedah, Sungai Petani remains the most active area for residential and township development but with the pandemic disrupting new

launch schedules and construction progress, developers have shifted their focus to ongoing projects first before proceeding with further launches in a better market condition. With demand disrupted, property developers are riding on the notion of ‘value for money’ property offerings to owner occupiers as the market is even more geared towards the affordable realm. High-end products do make the sale but the offerings are smaller in launches than other bigger cities.

With supply in abundance and demand more selective, a situation of price being sensitive and high competitions is created and had been so pre-pandemic. Developers turn to discounts, exemptions and free gifts as means to attract the buyers as well as participate in the returning Home Ownership Campaign (HOC) by the government.

“WHILE 2019 HAD PROVEN TO BE A RECOVERING YEAR FOR THE MARKET, 2020 MAY FALL SHORT IN CONTINUING THAT RECOVERY PACE AND MORE HOPES FALL ON 2021 TO BE THE NEXT YEAR FOR RECOVERY.”

RETAIL

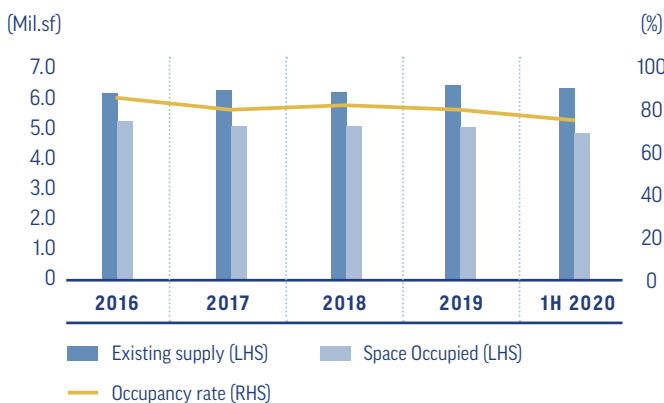
As at 1H2020, there are 60 retail malls across Kedah with Alor Setar, Sungai Petani and Langkawi being the top locations for these malls. Combined, all three locations contribute 81% or 5.13 million sf of retail mall space.

Occupancy rate stood at 74% for 1H2020, going a further drop of 2.5% y-o-y and this falling trend is consistently observed since 2016. This is mainly due to the above-mentioned areas having relatively low occupancy rates of between 68% to 79% in addition to the large supply in retail mall space.

In Kota Setar, ground rental rates of retail malls go between RM3.00psf to RM23.00psf with the higher end being Aman Central Mall. Others like City Plaza, Alor Star Mall and TESCO Mergong are at the mid-range RM13.00psf to RM18.00psf. On the lower end are Star Parade and Ukir Mall.

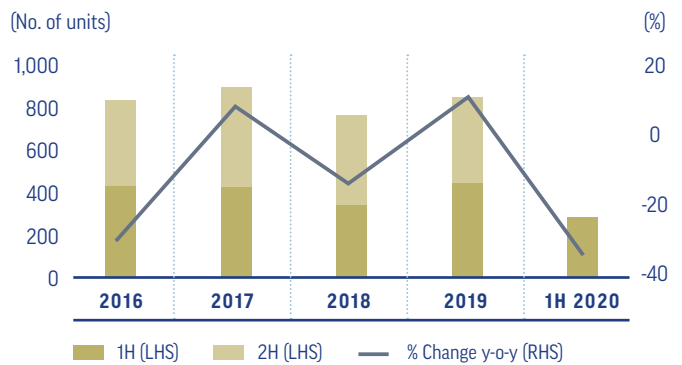
In Langkawi, both Kompleks Haji Ismail Group and Bazaar Haji Ismail Group command between RM9.60psf to RM12.00psf but small lots have reached up to RM30.00psf.

Existing Supply & Occupancy Rate of Retail Spaces in Kedah (2016-1H 2020) (Source: JPPH)

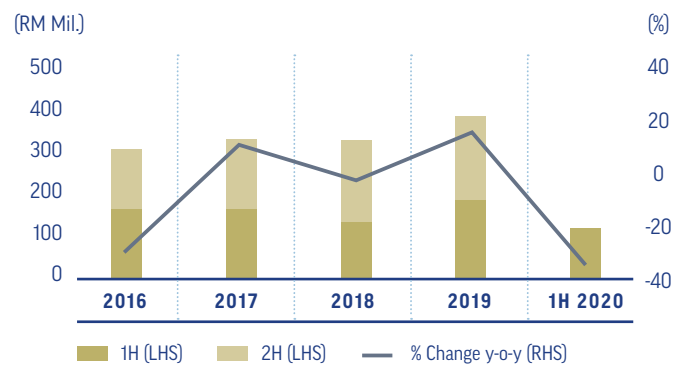


SHOP OFFICES

Number of Shop Office Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)



Value of Shop Office Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)



By 1H2020, Kedah’s shop office market stood at a capacity of 31,999 existing units overall with 3-sty and below shop offices dominating the supply market with a 88.5% share. On the demand side, transactions activities took a fall of 35.1% to 299 transacted units valued at RM125.6 million. Over a 5-year period, first-half market performances are at its lowest in 1H2020 though it is of no surprise due to the Covid-19 pandemic.



Dayang Bunting Geoforest Park, Langkawi

Despite having a mix in movements from 2016 for volume of transacted units, the value of transactions shows a more consistent upward trend which gives the immediate indication of transaction prices are on the rise. While 2019 had proven to be a recovering year for the market, 2020 may fall short in continuing that recovery pace and more hopes are put on 2021 to be the next year for recovery.

Located adjacent to Kulim's largest shopping mall, Kulim Central Shopping Mall, is an upcoming commercial development by Sri Awana Sdn Bhd named Landmark City Commercial Centre. Offering 70 units of 2-storey shop offices, the price tags go from RM788,000 and construction is scheduled for completion by 2022.

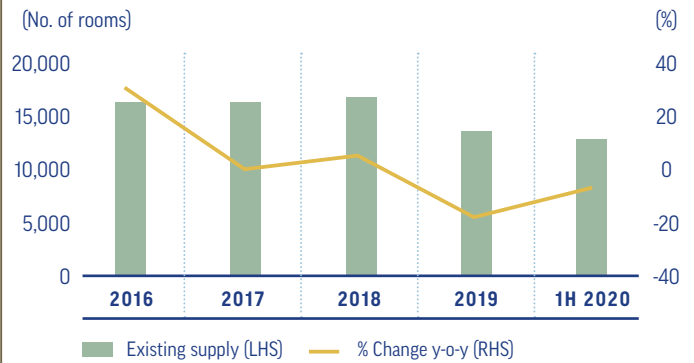
Another development in the pipeline is the Aman Laut Commercial Centre in Kuala Kedah. Despite the larger-sized product offering of 3-storey shop offices, the units start at a lower price tag of RM320,000. Completion is expected to be within 2023.

HOTEL

Within the first 6 months of 2020, Kedah's hotel industry had suffered greatly due to the pandemic which had resulted in nationwide movement restrictions that is still ongoing up to the time of writing. And from this massive disruption came the closures of several establishments in Kedah – be it temporarily or permanently. In supply, a drop of 1.8% was recorded in hotel room count for the state, bringing the total existing room count from 13,851 rooms at end-2019 to 13,154 at 1H 2020. Of this total, 20 establishments are rated 4 to 5-stars. A significant portion

Existing Supply of Hotels in Kedah (2016-1H 2020)

(Source: JPPH)



of these high-rated hotels are located on Langkawi Island due to the island being a popular local and international tourist destination.

In Alor Setar, which is the capital of Kedah, there are 2 hotels rated 4-star and above: The Grand Alora Alor Setar and Raia Hotel & Convention Centre Alor Setar – the latter formerly known as TH Hotel & Convention Centre Alor Setar after being renamed as part of the ownership transfer from Lembaga Tabung Haji to Urusharta Jamaah Sdn Bhd (UJ) under the Ministry of Finance. Other high rated hotels and resorts on Langkawi Island are the Danna Langkawi, Four Seasons Resort Langkawi, the Westin Langkawi Resort & Spa, and Tanjung Rhu Resort.

When Covid-19 hit Malaysia's shores and stayed well throughout the year, Kedah was no exception to the impact it had on tourism as both international and local borders were shut for periods of time – ultimately cutting off any tourism activities and stays. While hotels in Langkawi fought hard to stay afloat, some have fallen and took the road of closure. One such is the Swiss-Inn Sg Petani who had ceased operations as of 2nd June 2020.

But despite 2020's depressing outcome thus far, Ri Yaz Assests Sdn Bhd remains optimistic in their upcoming launch of the 5-star Ri-Yaz Lavanya Resort & Villas in Pantai Tengah, Langkawi. This is their second resort on the island after Dash Resort Langkawi. Developed by LD Global Sdn Bhd of Kobay Technology Bhd, the resort will be launched in 2 phases by 2022 with a total offering of 37 pool villas, 90 2-bedroom serviced apartments and 133 studio hotel rooms altogether.



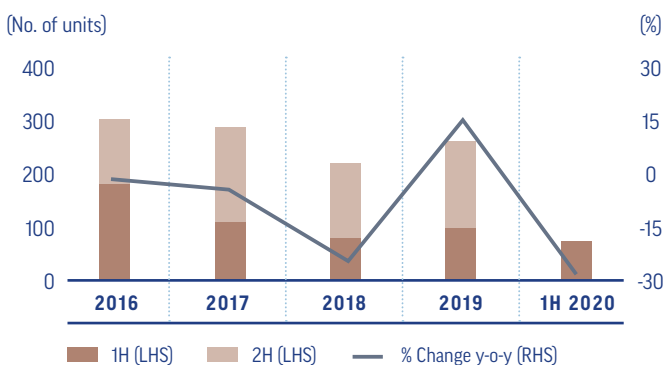
Paddy field, Kodiang

INDUSTRIAL

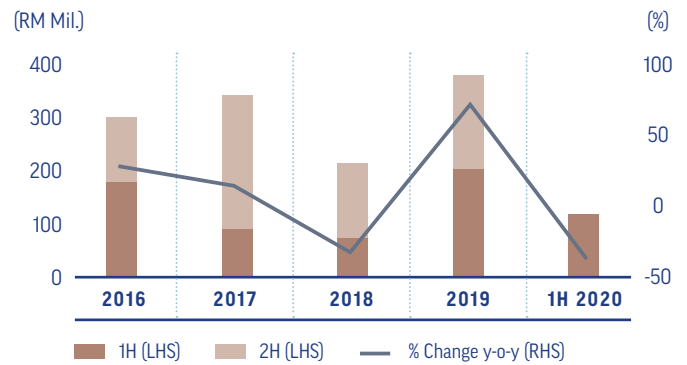
After 2019’s recovery turn in industrial transactions following a 3-year consecutive decline, 1H 2020 fell short due to the pandemic disruption of the market – recording the lowest half-year performance since 2016 in transaction volume at 76 transacted units but value held at RM133.6 million. By property type, there is equal distribution of transactions between vacant plot, terraced factory/warehouse and detached factory/warehouse at 20% to 24%.

No new industrial units were recorded in the market, keeping Kedah’s supply at 3,858 units with 78.3% of the stock being terraced and semi-detached types. But a small number of 33 units are listed as incoming supply for the state – the locations are Kulim, Kuala Muda and Langkawi. As a progressing national project, Kedah Rubber City will see the completion of Phase 1 within November 2020. Being the first dedicated Rubber Industrial Park in Malaysia, committed local rubber industry players is expected to begin operations in the first quarter of 2022 with the potential of creating over 660 jobs.

Number of Industrial Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)



Value of Industrial Property Transactions in Kedah (2016-1H 2020) (Source: JPPH)

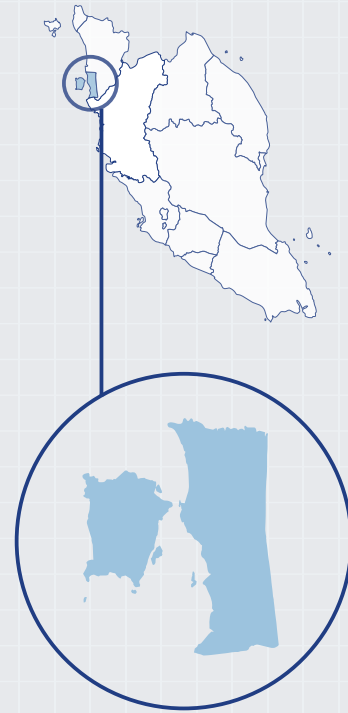


NOTABLE ANNOUNCEMENTS

- ♦ The Bukit Banyan township by Paramount Corporation Bhd will be expanded by another 137.1 acres of agriculture land purchased from BDB Land Sdn Bhd.
- ♦ Since its proposal back in 2014, the much talked about Kulim International Airport (KXP) was officially approved by the government at the National Physical Planning Council (NPPC) meet in October 2020 – signalling the first hurdle cleared for KXP’s construction.
- ♦ The state government has plans on expanding the Kulim High Tech Park, starting with looking for new tracts of land at the moment.
- ♦ Lagenda Properties Bhd and BDB Land Sdn Bhd has entered into a Memorandum of Understanding (MoU) to build affordable houses in Kuala Muda.
- ♦ Dubbed as the first eco-living and guarded township in Kulim, La Casa Lunas by Sri Pengkalan Binaan Sdn Bhd (SPB) offers an affordable luxury lifestyle of 2-sty terraced units priced from RM341,000.

Capital: Georgetown
 Est. Population: 1.77 million
 Area (km²): 1,049

(Source: DOSM)



KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	522,272 units	↑ 2.0% y-o-y
Transaction Volume	4,293 units	↓ 29.1% y-o-y
Transaction Value	RM1,680.58 mil.	↓ 31.7% y-o-y

RETAIL

Supply	19.63 mil. sf	↑ 4.7% y-o-y
Occupancy Rate	73.3%	↑ 1.0% y-o-y
Rental	Prime: RM3.00psf – RM50.00psf	

PURPOSE-BUILT OFFICE

Supply	11.97 mil. sf	↓ 1.0% y-o-y
Occupancy Rate	83.9%	↑ 0.7% y-o-y
Rental	Prime: RM1.00psf – RM4.40psf	

SHOP OFFICE

Supply	30,885 units	↑ 2.6% y-o-y
Transaction Volume	260 units	↓ 34.8% y-o-y
Transaction Value	RM216.17 mil.	↓ 35.4% y-o-y

HOTEL

Existing Supply	21,553 rooms	↑ 9.4% y-o-y
Incoming Supply	4,951 rooms	

INDUSTRIAL

Supply	9,260 units	↑ 0.9% y-o-y
Transaction Volume	152 units	↓ 24.4% y-o-y
Transaction Value	RM408.64 mil.	↑ 30.7% y-o-y

PULAU
 PINANG

RESIDENTIAL

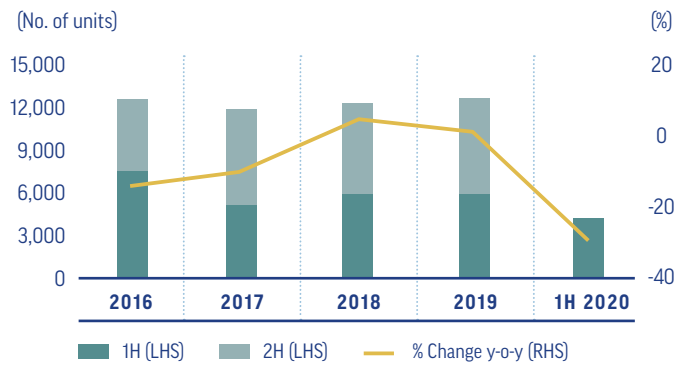
Since 2016, the residential market of Pulau Pinang has been steady in its yearly transaction performance of both volume and value with no significant changes seen but as with many other sectors of the economy, the first half numbers came through as the lowest at 4,293 units transacted at a value of RM1.68 billion.

By type, landed and high-rise units contributed close to equal to overall transactions at 47% and 51% respectively with landed property transactions seen more on in Seberang Perai – the mainland portion of Pulau Pinang – and high-rise transactions seen more on the island.

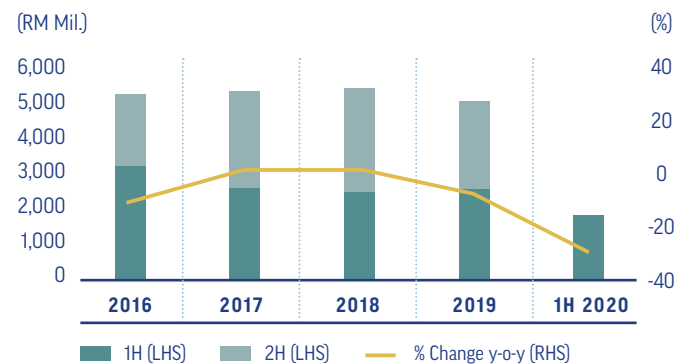
By price range, 77% of the residential transactions were below RM500,000 with most being below the RM300,000 mark. As a whole, this shows that most of the buyers of Pulau Pinang are still in favour of homes priced within the affordable range.

On the supply side, total existing residential stock for the state is at 522,272 units with an almost even distribution between Seberang Perai and the island. On property transactions, 78% of the high-rise units are located on the island whereas 79% of the landed homes are situated in Seberang Perai. This comes to no surprise as land scarcity is more prevalent on the island, making Seberang Perai the choice for landed home developments. Since 2016,

Number of Residential Property Transactions in Pulau Pinang (2016-1H 2020) (Source: JPPH)

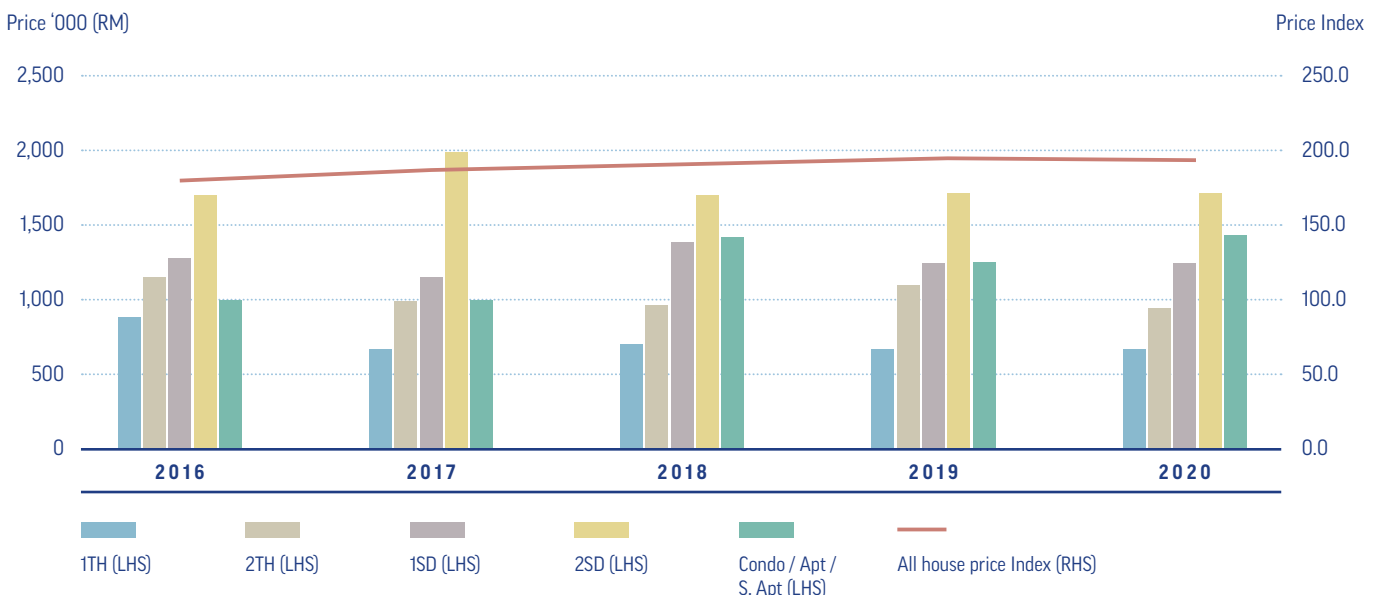


Value of Residential Property Transactions in Pulau Pinang (2016-1H 2020) (Source: JPPH)



Penang Island Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



housing supply in Seberang Perai has grown by 39% in comparison to the island's smaller 19%. The serviced apartment and SOHO stock in Pulau Pinang is relatively small in comparison to its fellow key areas like Klang Valley and Johor at 7,158 units.

On the overhang situation, though not critically serious, is still on the rise and have almost doubled in stock since 2016 at 1,953 units. As at 1H2020, numbers were at 3,883 units worth RM2.95 billion and this includes serviced apartment and SOHO type units. An overwhelming 76% of the overhang stock are of the condominium/apartment category and price wise, despite opinions saying overhang is due to unaffordable prices, 47% are below the RM500,000 mark. As unaffordability persist – even more so with the pandemic-ridden market – and landed homes remaining as the top homebuyer choice, there is concern on how will these vacant high-rise units compete against newer incoming stock. If taking into account the incoming supply that is already under construction, the picture grows more bleak as market will be expecting another 40,595 high-rise units including serviced apartment and SOHO types.

On the Island, 1-storey terraced houses were transacted on an average of RM700,000 for the areas of Ayer Hitam, Bayan Baru and Tanjung Tokong while 2-storey units

in Island Glades and Taman Sri Nibong reach up to RM1 million.

Semi-detached houses in areas like Tanjung Tokong, Tanjung Bungah and Island Park go between RM1.25 million to RM1.73 million on average. For high-rise units in the same areas were transacted at an average RM1.46 million. The Cove continues its prestige of higher end units with prices tags pushing up to RM2.43 million.

After identifying a niche market that has yet to tapped in but rich in potential, MTT Group of Companies has made way to developing the first integrated senior living resort in Penang. Signing a joint venture with Eden-On-The-Park Sdn Bhd, Eden at Botanica.CT will be part of the 300-acre Botanica.CT township in Balik Pulau who is at 50% completion as of October 2020.

September 2020 saw the handover of keys to buyers of the Dua Residensi affordable project by Penang Development Corporation (PDC) in Teluk Kumbar.

In continuing on their pursuit for more affordable homes, Penang's state exco has announced an increase of 40,000 units more to the initial affordable housing target. Now the state government is aiming at 220,000 units by 2030.

Selected Upcoming Landed Residential Properties in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Hill Park Residences @ Alma	Bukit Mertajam	3-sty Bungalow	280	From RM1.15 mil	2021
Tierra Residences	Bayan Baru	3-sty Terraced	65	From RM1.18 mil	2021
Garden Villa	Bukit Mertajam	2-sty Semi-Detached	58	From RM888,000	2021
Garden Superlink @ Alma	Bukit Mertajam	2-sty Terraced	70	From RM680,000	2022
Taman Desa Harmoni	Butterworth	2-sty Terraced	17	From RM550,000	2022
Hijauan Hills	Simpang Ampat	2-sty Terraced	28	From RM419,000	2022
Bertam Lakeview - Nyssa	Bertam	1-sty Terraced	155	From RM329,000	2022
		1-sty Bungalow	19	From RM740,000	2022
		2-sty Bungalow	10	From RM1.05 mil	2022
Brydon @ Eco Horizon	Batu Kawan	2-sty Semi-Detached	395	From RM1.2 mil	2024
		2-sty Bungalow		From RM1.9 mil	2024
Viluxe	Batu Kawan	3-sty Semi-Detached	133	From RM833,000	2024

Selected Upcoming High-Rise Residential Properties in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
M Vista	Batu Maung	Serviced Apartment	237	From RM646,000	2021
Queens Water	Bayan Bay	Condominium	950	From RM778,000	2021
3 residences	Georgetown	Condominium	478	From RM628,000	2021
Urban Suites	Jelutong	Serviced Apartment	600	From RM504,000	2021
Suasana @ Utropolis Batu Kawan	Batu Kawan	Serviced Apartment	491	From RM550,000	2021
Setia Sky Ville	Jelutong	Condominium	550	From RM719,000	2021
Gem Residence	Seberang Prai	Serviced Apartment	978	From RM355,800	2022
The Sky Urban	Bukit Mertajam	Condominium	560	From RM417,000	2022
Montage	Sg Nibong	Condominium	282	From RM625,000	2022
Palm Garden	Simpang Ampat	Serviced Apartment	335	From RM327,700	2023
1 City Residences	Juru	Serviced Apartment	148	From RM316,000	2023
Goodwood Residence	Bayan Lepas	Condominium	260	From RM637,000	2023
Iconic Regency	Sg Nibong	Serviced Apartment	268	From RM510,000	2023

RETAIL

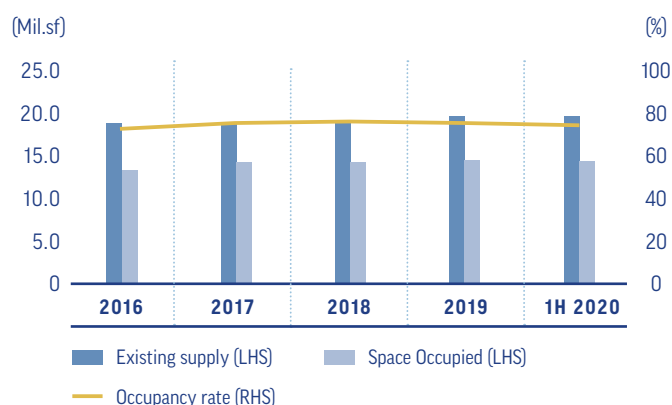
As at 1H2020, Pulau Pinang's retail market in space saw an increase in shopping complex space of about 883,000 sf and thus brings the state's total shopping complex space up to 19.63 million sf. Occupancy rate held up relatively well against the rise in space as it steadies at 73.3% after a slight improvement from 1H2019 at 72.3% but in vacant space, there is still about 5.24 million sf left to be occupied. The biggest contributor to the vacant space is from Bukit Mertajam area with 2.15 million sf followed by Perai with 661,980 sf.

Ground rental rates on Penang Island range between RM4.00psf up to RM50.00 – this includes malls such as Komtar, Penang Plaza and Island Plaza on the lower side and Gurney Plaza, Gurney Paragon and 1st Avenue on the higher side.

In Seberang Perai, ground rental rates go at a smaller range of between RM3.00psf to RM20.00 and this includes malls such as Megamall Pinang, Plaza Bukit Mertajam, Tesco Bukit Mertajam and Aeon Mall.

Existing Supply & Occupancy Rate of Retail Spaces in Pulau Pinang (2016-1H 2020)

(Source: JPPH)



As Pulau Pinang's next largest retail mall, GEM Mall by Belleview Group with total NLA of 1.2 million sf, is set to hit the market by 2022, another future mall icon is underway to construction in Georgetown – namely the retail mall component of The Light City development by IJM Corp Bhd. At 11-storey high and combined with the largest convention centre to date in the state, completion is scheduled to be in 2024.

Selected Upcoming Retail Malls in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA)sf	EXPECTED COMPLETION
Penang Sentral Mall	Butterworth	400,000	2021
Botanica CT Centre	Balik Pulau	80,000	2021
The Light Waterfront Mall	Jelutong	1.5 mil	2024
Gem Megamall	Seberang Perai	1.2 mil	N/A

PURPOSE-BUILT OFFICE (PBO)

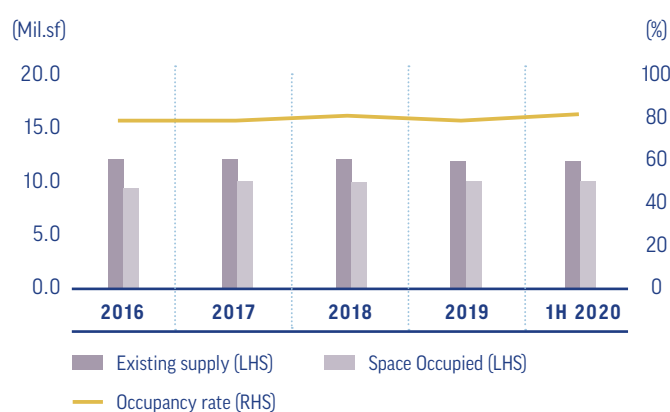
Minimal movement is seen for Pulau Pinang's PBO market with the latest change y-o-y being a decrease of about 123,000 sf in Georgetown. This puts the PBO market at 11.97 million sf of PBO space with an occupancy rate of 83.9% – putting vacancy space at 1.93 million sf. In locality, a significant portion of the PBO establishments are situated within Georgetown and the remaining primarily in Butterworth, Bukit Mertajam and Bayan Baru.

Rental rates of PBO spaces in Georgetown are stable at a range of RM1.00 to RM4.00 psf pm. PBO buildings that command rates on the higher side of above RM3.00 psf pm are KOMTAR Tower Block, Wisma Great Eastern, Wisma MTT and Hunza Tower. In Butterworth of Seberang Perai, PBO rentals go at a lower RM2.00 psf pm and upwards for prime floors of Wisma Pantai, Wisma Ng Ah Yan and Nb Tower.

The 2-storey office development by Penang Development Corporation (PDC) named GBS@Mahsuri in Bayan Baru was completed in October 2020. Boasting a total

Existing Supply & Occupancy Rate of Purpose Built Office in Pulau Pinang (2016-1H 2020)

(Source: JPPH)



office space of 80,000 sf, this RM17.8 million building is an MSC Cyber Centre Tier One office facility aimed to meet the demand for Global Business Services (GBS) in Pulau Pinang.

Selected Upcoming Purpose-Built Office in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA) SF	EXPECTED COMPLETION
VOS Lifestyle Suites	Bukit Dumbar	90,000	2022
The Light City/Light Waterfront	Jelutong	370,000	2024

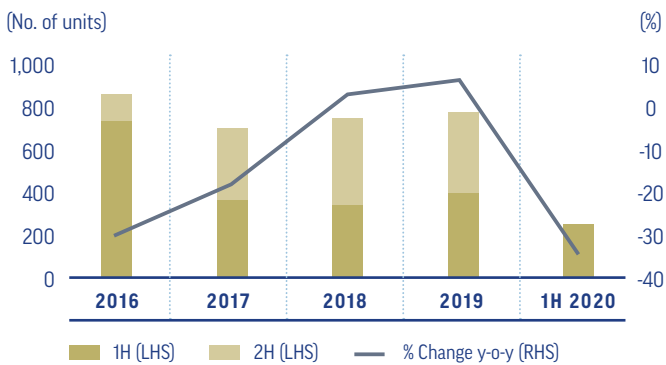
SHOP OFFICE

As at 1H2020, the existing supply of shop offices in Pulau Pinang rose at a slight 2.5% to 30,885 units of which a majority 72% are located in Seberang Perai. Market activities fell in both volume and value of transactions within the review period, registering a decrease of 34.8% and 35.4% respectively – bringing 1H2020’s activity performance to 260 units worth RM216 million. 2-sty shop offices remain the popular type of property transacted at 58% of total transactions.

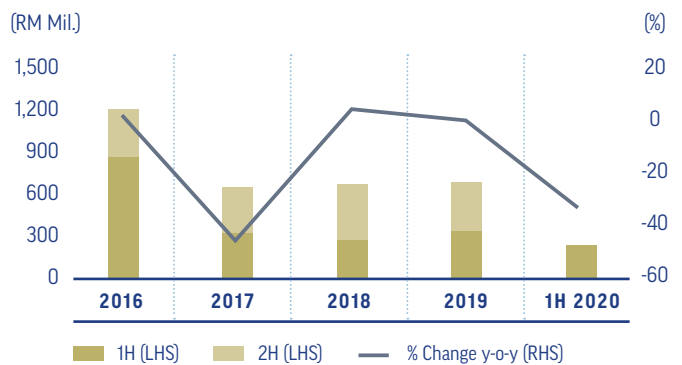
Overhang units of shop offices are still on the low at only 78 units despite an increase y-o-y. 40 overhang units of the total are priced between RM300,001 to RM400,000.



Number of Shop Office Property Transactions in Pulau Pinang (2016-1H 2020) (Source: JPPH)



Value of Shop Office Property Transactions in Pulau Pinang (2016-1H 2020) (Source: JPPH)



Selected Upcoming Shop Offices in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Pekaka Indah Business Centre	Nibong Tebal	2-sty Shop Offices	42	From RM688,000	2021
Borealis @ Eco Horizon	Batu Kawan	2&3-sty Shop Offices	47	From RM1.9 mil	2021
Mengkuang Business Centre	Bukit Mertajam	2-sty Shop Offices	16	From RM580,000	2023
Sinaran Avenue @ Utropolis	Batu Kawan	2-sty Shop Offices	16	From RM2.3 mil	2023

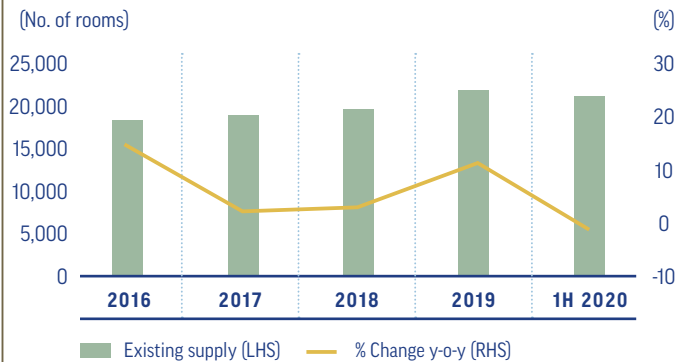


HOTEL

Within the review period, Pulau Pinang's hotel market saw the entrance of 1,845 new rooms or 32 new hotel establishments despite the first 6 months of 2020 heavily disrupted by the pandemic. Although headlines were seen of hotel establishments taking the option of temporary or permanent closure during the movement restriction period, new hotel players had come on to the scene with confidence on the tourism market to get back on track

Existing Supply of Hotels in Pulau Pinang (2016-1H 2020)

(Source: JPPH)



in 2021. From a total hotel count of 226 establishments across the state, 25% of the hotels are rated 3-stars and above.

Falling victim to the depressing impact of Covid-19 and forced to choose the road of closure, Holiday Inn Resort Penang have shut its doors by end June 2020 after operating four decades long. This was announced by Hong Kong-based Harilela Group via Asia Garden Sdn Bhd.

On the opposite hand, Tropicana Corp Bhd proceeded with the opening of Courtyard by Marriott Penang in September 2020. In partnership with Marriott International, the 199-room hotel is the first Courtyard by Marriott in Malaysia. Another new hotel to open its doors in the same month is the Ozo Hotel located on the edge of the heritage zone on Jalan Argyll with a capacity of 141 rooms.

Selected Upcoming Hotels in Pulau Pinang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	STAR RATINGS	NO OF ROOMS	EXPECTED COMPLETION
The Sun	Sg Nibong	3	135	2021
Holiday Inn & Suites	Juru	4	288	2021
Amari Penang	Bayan Lepas	5	453	2021
A Loft Hotel	Batu Kawan	4	308	2023
Hotel @ The Light City	Jelutong	4	745	2024

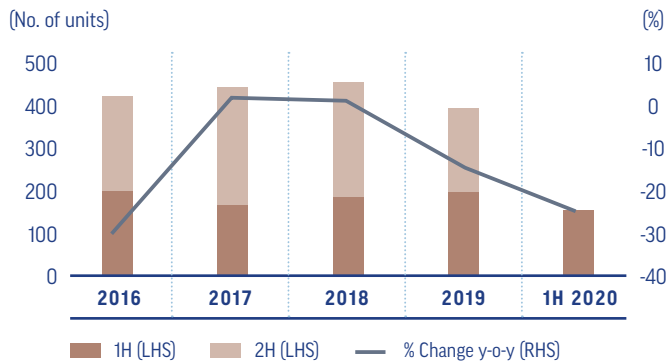
INDUSTRIAL

Within the review period, market activities in Pulau Pinang’s industrial sector have fallen by 24.4% to 152 transacted units but transaction value had instead risen by 30.7% to RM408 million. While the drop in market activity may be attributed to the pandemic disruption, yearly numbers had already been dropping from 2018 and that 2019 had been the lowest since 2016. From this, 2020 will likely be another fall but to what degree is yet to be seen and will depend on 2H2020’s performance.

On the supply side, there is a small injection of 84 new industrial units into the market and puts Pulau Pinang’s total industrial property supply at 9,260 units with 57% of the supply located in Seberang Perai Utara. Between Seberang Perai and the island, industrial property stock is mostly found on the mainland portion thanks to the abundant size of land in comparison to the island. Notable industrial parks in Pulau Pinang include the Batu Kawan Industrial Park, Bayan Lepas Industrial Park and Bukit Tengah Industrial Park.

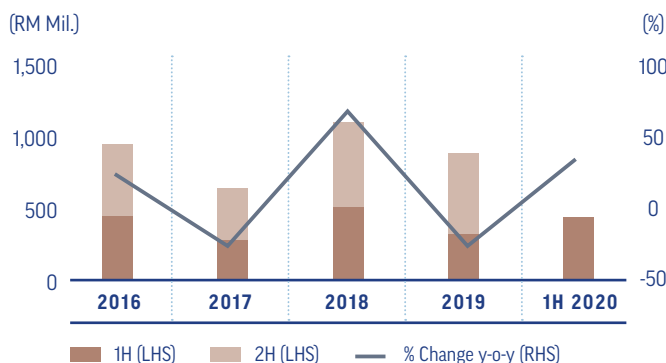
Number of Industrial Property Transactions in Pulau Pinang (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Pulau Pinang (2016-1H 2020)

(Source: JPPH)



Overhang industrial units remain on the low side at 97 units worth RM165 million as at 1H2020 with all units priced above RM1 million.

NOTABLE ANNOUNCEMENTS

- ◆ Ewein Bhd is terminating their joint venture agreement with Consortium Zenith Construction Sdn Bhd on the development of The City Dreams 2 – a luxury condominium project.
- ◆ The Light City development had undergone a revision in its planning with a new completion target to be in 2024: Phase 1 consisting of a 680,000 sf mall, the Penang Waterfront Convention Centre, a 5-star hotel, offices and Mezzo Condominium, and Phase 2 includes a smaller 300,000 sf mall, a hotel, offices and Essence Condominium.
- ◆ Tambun Indah Land Bhd has entered a memorandum of understanding with Show Chwan Medical Care Corporation to develop a private specialist hospital known as Penang Show Chwan Hospital in Pearl City Business Park, Seberang Perai.
- ◆ Plenitude Bhd is adding a new landmark to the famous Gurney Drive called “Gurney Walk” – a new invigorating social hub boasting 60,000 sf of leasable space which will be connected directly to the upcoming Ascott Gurney Penang serviced residence.
- ◆ The former Gurney Resort Hotel & Residence is under renovation to be transformed into a new serviced residence named Ascott Gurney Penang with opening expected in 2021.
- ◆ In November 2019, the Penang State Government had initiated the Masterplan Design Competition for the new Penang South Islands development. This was to ensure the game changing project would receive the best ideas in design. In August 2020, Bjarke Ingels Group (BIG) and Hijjas Architects and Planners were announced as the winner with their proposal entitled BiodiverCity Penang.

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	494,515 units	↑ 2.5% y-o-y
Transaction Volume	9,573 units	↓ 3.4% y-o-y
Transaction Value	RM2,127.56 mil.	↑ 7.5% y-o-y

RETAIL

Supply	10.31 mil. sf	↑ 0.2% y-o-y
Occupancy Rate	84.7%	↑ 0.6% y-o-y
Rental	Prime: RM3.00psf – RM31.00psf	

PURPOSE-BUILT OFFICE

Supply	6.84 mil. sf	↑ 1.3% y-o-y
Occupancy Rate	93.1%	↓ 1.4% y-o-y
Rental	Prime area: RM1.70psf – RM4.50psf	

SHOP OFFICE

Supply	58,458 units	↑ 1.0% y-o-y
Transaction Volume	515 units	↓ 38.4% y-o-y
Transaction Value	RM261.09 mil.	↓ 34.0% y-o-y

HOTEL

Existing Supply	16,055 rooms	↑ 0.3% y-o-y
Incoming Supply	865 rooms	

INDUSTRIAL

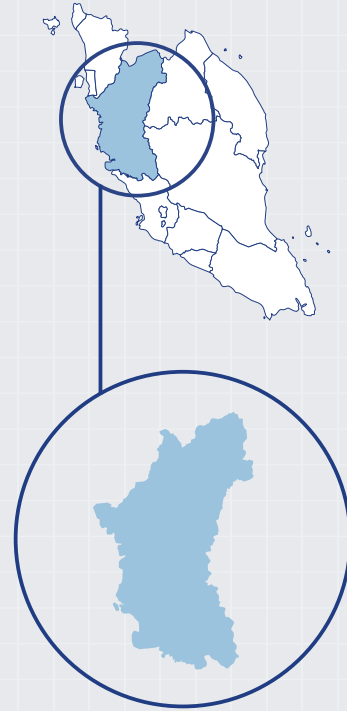
Supply	8,464 units	↑ 0.4% y-o-y
Transaction Volume	138 units	↓ 39.2% y-o-y
Transaction Value	RM130.89 mil.	↓ 37.8% y-o-y

Capital: Ipoh

Est. Population: 2.51 million

Area (km²): 20,976

(Source: DOSM)



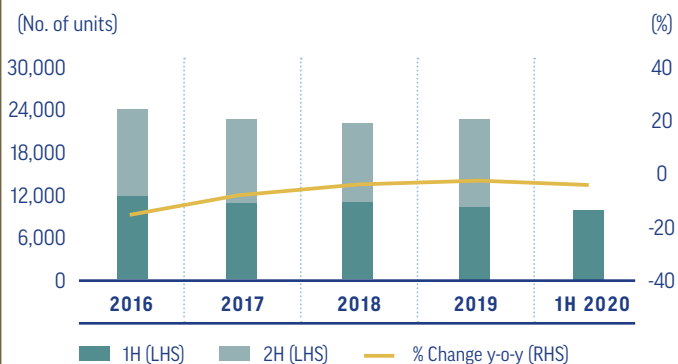
PERAK
DARUL RIDZUAN

RESIDENTIAL

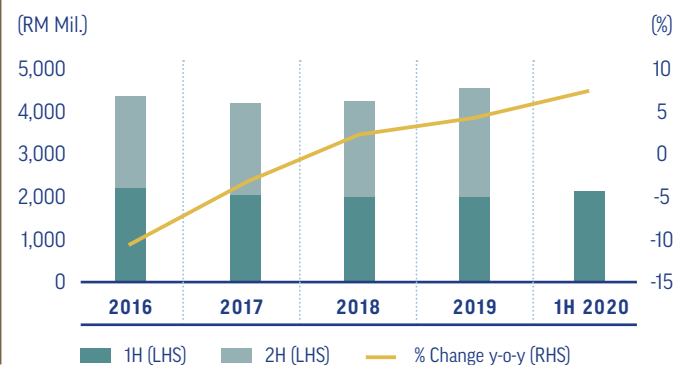
1H2020 saw Perak’s existing residential supply to be at 494,515 residential units after an injection of 12,025 new units in to the market. Landed homes remain dominant of the residential supply at a high 94% contribution but the state is also slowly seeing the emergence of the serviced apartment and SOHO types with a current stock of 1,891 units combined – the new injection of serviced apartment units nearly doubling within the review period. By mukim, Kinta holds close to half of Perak’s housing supply followed by Larut Matang and Manjung at 11% each.

With an additional 36,566 new units currently under construction, the future growth of housing supply does not necessarily bode good news when combined with the growing number of overhang stock alongside it. As at 1H2020, a total of 4,644 overhang units are currently sitting vacant in the market with an overwhelming 61% priced between RM200,001 to RM300,000. This is taken as a sign that while demand for housing may be present for Perak, the importance of not only affordable pricing but also desirable location and product type suited to local preference are key to making the sale – as further proven by 48% of the overhang units being condominium and apartment type.

Number of Residential Property Transactions in Perak (2016-1H 2020) (Source: JPPH)

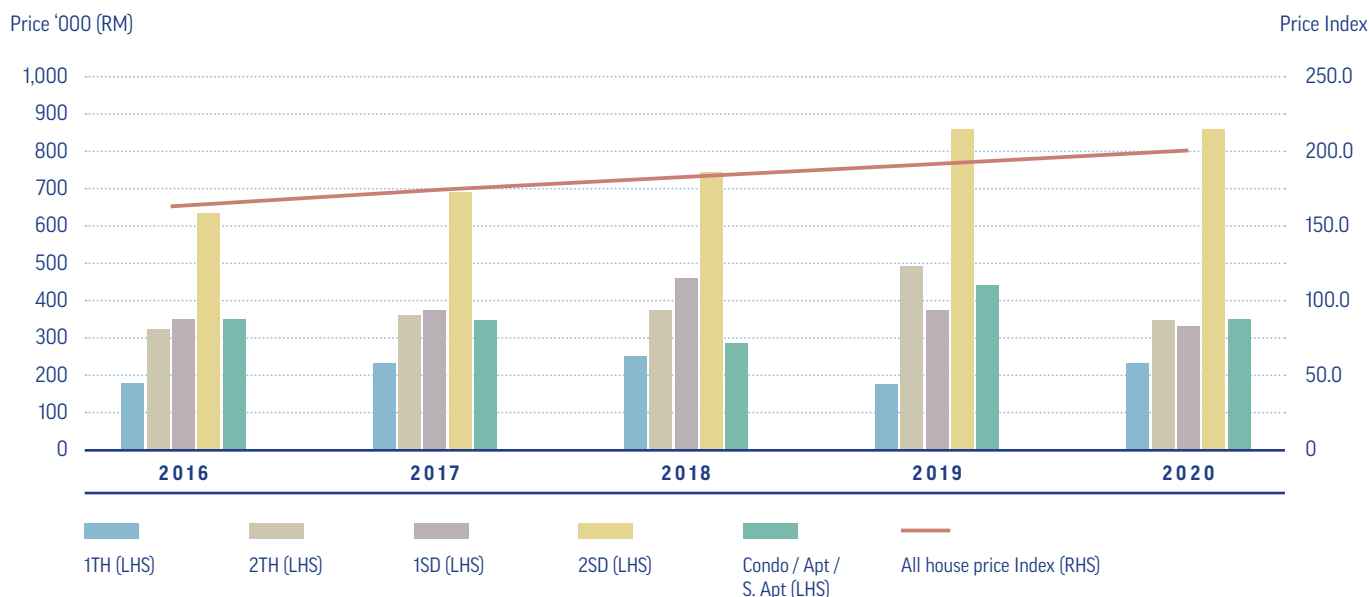


Value of Residential Property Transactions in Perak (2016-1H 2020) (Source: JPPH)



Ipoh/Kinta Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Perak

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Tambun Parkview Foresta	Tambun, Ipoh	2-sty Terraced	29	From RM488,000	2021
Tasik Avenue Residence	Tasik Avenue, Ipoh	2-sty Terraced	30	From RM438,000	2021
Taman Damai	Kampar	2-sty Terraced	48	From RM398,800	2021
Scientes Meru 2	Meru, Ipoh	2-sty Terraced	150	From RM291,000	2021
Suriahill 3 Residence (Phase 3)	Klebang, Ipoh	2-sty Terraced	200	from RM358,000	2021
Emerald 6 @ Klebang Putra	Klebang, Ipoh	2-sty Terraced	139	From RM312,000	2021
Zen88 Homes @ Taman Lapangan Bayu (Phase 2)	Ipoh	2-sty Cluster	88	From RM608,000	2021
The Cove Hillside Residence	Ipoh	Condominium	380	From RM398,700	2022
Sunway Onsen Suites	Ipoh	Serviced Apartment	252	From RM392,600	2022
Riverpark Residence	Klebang, Ipoh	1-sty Terraced	250	From RM279,000	2022
Lang Cities Residence	Gunung Lang, Ipoh	1-sty Terraced	171	From RM328,000	2023
Anderson Condo	Ipoh	Condominium	1,030	From RM232,000	2023

Looking at the demand, preference still lies in landed homes – specifically terraced units and vacant plots as both contribute the most at 50% and 19% respectively. Price wise, transactions also lie heavily on properties priced below RM300,000 at 79% transaction volume share.

While Perak may not have escaped the impact of Covid-19 on its residential market activities, it had held up the best amongst all states nationwide with only a 3.4% fall in volume of transaction and in fact, risen by 7.5% in value of transaction. It still remains to be seen if Perak will continue to hold up against the pandemic for the remaining of the year but hopes are high on the state's resilience.

House prices in Kinta for the year 2020 in selected areas saw some changes for different types. 1-storey terraced homes in areas of Halaman Meru Permain and Taman Canning commanded an average of RM230,000 and for 2-storey terraced homes in Bandar Seri Botani, Bandar Baru Tambun and Taman Pengkalan Tiara, averaged transacted prices are at RM340,000.

For high rise units under the condominium/apartment category, developments such as Prima Condominium, Ipoh Kiara Height and Tower Regency fetched an average of RM350,000 whereas the likes of Damaipuri Condominium

and Upper East are reaching up to RM500,000 and above. The Majestic serviced apartment was transacted at an average RM460,000.

RETAIL

With minor movements in between, Perak's retail mall performance in occupancy rates have steadily maintained at 84% to 85% and supply also staying at the 10 million sf range. Being the capital city of Perak, it comes to no surprise that the Ipoh holds close to half of the total retail mall count at 4.9 million sf of retail space and occupancy holding well at 81%.

In the near future, another 1.3 million sf of new retail space is expected to hit the market barring any delays or even cancellations due to Covid-19 which has strongly impacted local and international tourist traffic.

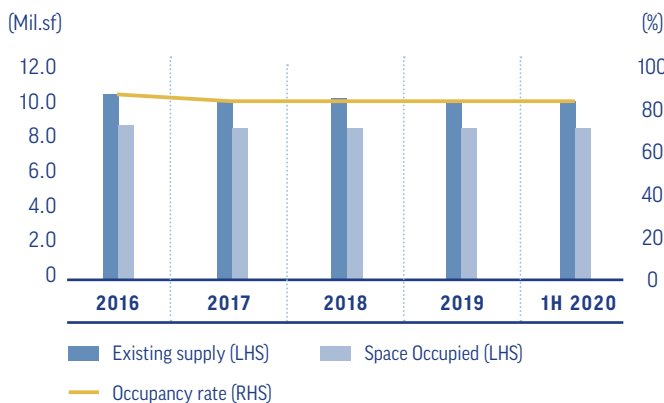
Within Ipoh, ground rental rates of prime retail malls command a high range of between RM10.00psf to RM31.00psf; this includes malls such as Aeon Big Falim, Ipoh Parade Shopping Centre, Kinta City and Aeon

Klebang. In Taiping, ground rental rates for Taiping Sentral, Tesco Taiping and Taiping Mall range between RM11.00psf to RM15.00psf although small-sized lots in Tesco Taiping have reached a higher RM34.00psf.

With the pandemic chaos, Perak will only be welcoming its first premium outlet store by 3Q 2021. Located in Batu Gajah and only 30 minutes away from Ipoh, Silverlake Brands Village will see its construction completed by next year and hopefully have its doors open to the public soon after.

Existing Supply & Occupancy Rate of Retail Spaces in Perak (2016-1H 2020)

(Source: JPPH)



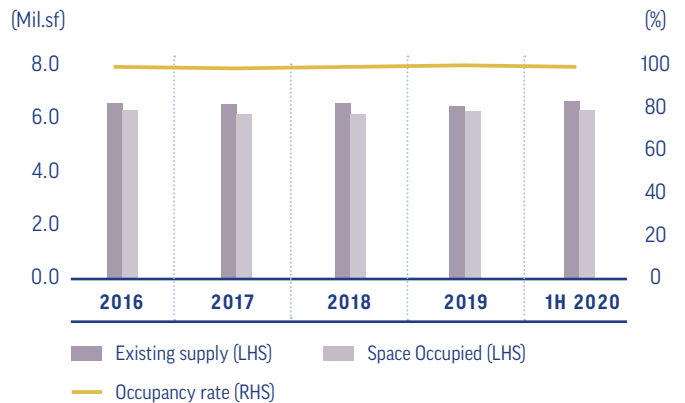
PURPOSE-BUILT OFFICE

As at 1H2020, the supply of Perak’s PBO property market stands at 6.84 million sf with a total of 225 office buildings. Of this, 31% are located in Ipoh and 11% in Taiping. Occupancy rate has remained above the 90% mark after a gradual decrease since 2016 from 95% to 93% in 1H2020.

Perak may soon cross 7 million sf of PBO space as an estimated 400,000 sf of new office space are currently under construction. What’s more, a large portion of this incoming supply are situated in the city of Ipoh. Though the office market may not be as badly affected as major cities in Klang Valley thanks to Covid-19 hindering international businesses, the market might see changes in occupancy trends as new forms of office culture step-up during the pandemic phase such as Co-working and Work-From-Home (WFH).

Existing Supply & Occupancy Rate of Purpose Built Office in Perak (2016-1H 2020)

(Source: JPPH)



For 2020, rental rates of PBO spaces in Ipoh are observed to range between RM1.75 psf pm to RM4.50 psf pm. This applies to office buildings the likes of Bangunan Seri Kinta, KWSP Building, Lembaga Tabung Haji and Perak Techno-Trade Centre. Office buildings that have its rental rates reach above RM3.00 psf pm are KWSP Building and Perak Techno-Trade Centre.

SHOP OFFICE

As at 1H2020, Perak’s existing supply count stands at 58,458 shop office units ranging from pre-war types up to 6-sty shop units. Aside from Kinta with the highest supply share of shop offices at 43%, other areas with notable shop office presence are Kampar, Larut Matang and Manjung. But in new supply, Kuala Kangsar will be expecting an injection of over 700 shop office units in the next few years. Larut Matang will be expecting a higher 827 new units with most being 3-sty types.

Transaction activities was hit hard by the pandemic as volume fell by 38% and value by 34% - bringing 1H2020’s market performance to 515 transacted units worth RM261.1 million.

On the transacted prices observed in 2020, Panorama Lapangan Perdana and Bandar Cyber Ipoh fetched between RM400,000 to RM600,000 for 2-storey units while the same type in Station 18 went a lower average of RM303,000. 2-storey shop offices observed to have reached above RM1 million are found in Taman Ipoh.

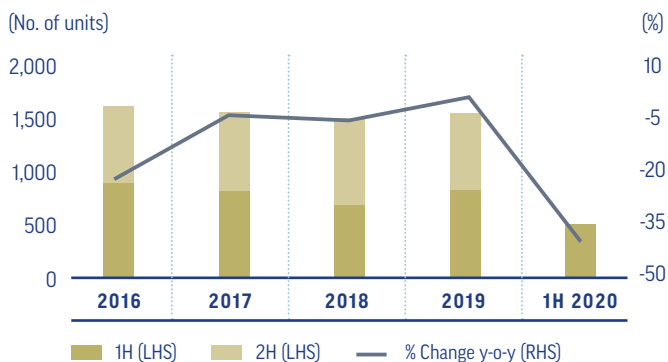
Selected Upcoming Shop Offices in Perak

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Canning II, Canning Garden	Ipoh	4-sty Shop Offices	30	From RM2.2 mil	2021
Shop Office @ Royal City of Kuala Kangsar	Kuala Kangsar	2-sty Shop Offices	10	From RM598,000	2022
Shop Office @ Taman Kamunting Mutiara	Kamunting	2&3-sty Shop Offices	10	From RM598,000	2022

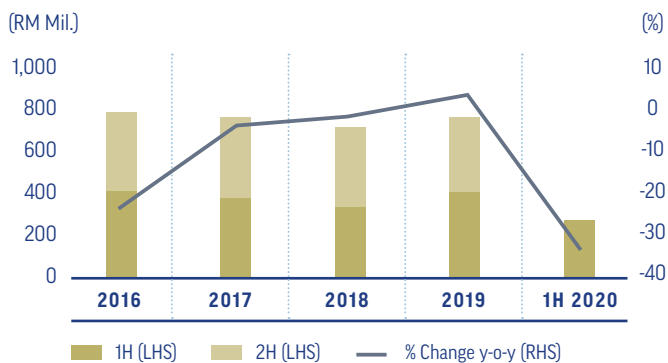
Number of Shop Office Property Transactions in Perak (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Perak (2016-1H 2020)

(Source: JPPH)



In Manjung, 2-storey units in Taman Setia Residen and Taman Selamat Indah 1 ranged between RM408,000 to RM528,000. Going higher up to RM790,000 are those in Pusat Perniagaan MJG.

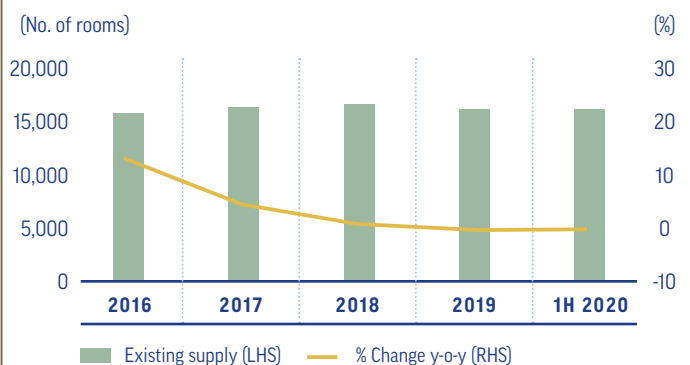
HOTEL

Within the review period, Perak saw little change in supply of hotel rooms and is at 16,055 in 1H2020 – making up 323 hotel establishment of various ratings. Though Perak ranks middle in hotel room count amongst all states, its number of hotel establishments comes in 4th after Johor, Sabah and Sarawak. But by star-rating, 91% of the establishments are below 3-stars, including budget hotels. This could be attributed to Perak's tourist traffic being more local than international.

Swiss Garden International (SGI) had taken the move of closure – temporary or permanently – for its hotels and resorts in Malaysia. Included in this decision is the Swiss

Existing Supply of Hotels in Perak (2016-1H 2020)

(Source: JPPH)



Garden Damai Laut in Lumut which will be closed for renovation and be rebranded as DoubleTree Resort by Hilton Damai Laut.

But less fortunate news was heard for the 4-star Syuen Hotel who had to cease operations permanently from Covid-19's crippling impact though it was said that the hotel had already been suffering financially in the last three years.

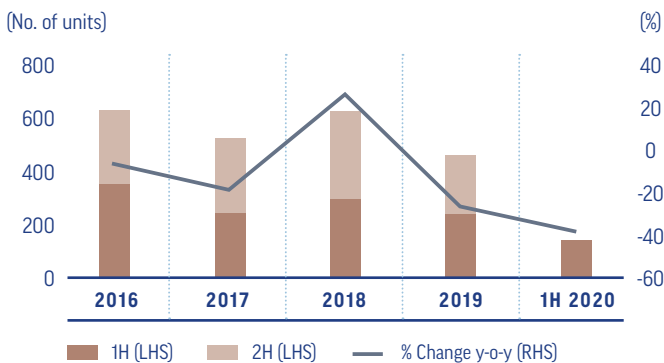
INDUSTRIAL

Having experienced a mix in movement for the past few years, Perak's industrial market is in for another drop as 1H2020 registered a fall of 39% in volume and 38% in value – coming at 138 transacted units worth RM130.9 million. This is the lowest first half market performance in the past 5 years.

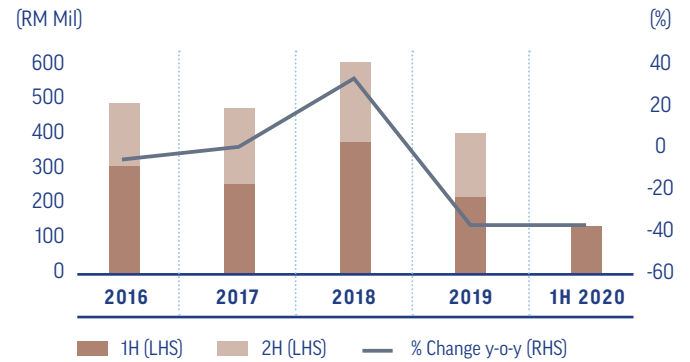
Existing supply maintained at 8,464 industrial units with only a small injection of 32 new units into the market in the past 12 months. Product types lean more to terraced, semi-detached and detached warehouse/factories and a significant portion of the supply is located within Kinta district.

In observing transactions of 1½-storey semi-detached factories in Kinta, Chandan Raya Industrial Park and Pengkalan Maju Industrial Park had fetched between

Number of Industrial Property Transactions in Perak (2016-1H 2020) (Source: JPPH)



Value of Industrial Property Transactions in Perak (2016-1H 2020) (Source: JPPH)



RM600,000 to RM800,000. The same type but on a lower price of RM450,000 to RM530,000 were transacted units in Pengkalan Industrial Park and Menglembu Industrial Park.

NOTABLE ANNOUNCEMENTS

- ♦ Inix Technology Bhd is in the talks with the state government to build a hot spring resort and residential development in the southern region of Perak. Early plans involve a resort and 80,000 housing units.
- ♦ Lagenda Properties Bhd is purchasing 5 parcels of leasehold agriculture land in Tapah to be developed into affordable housing townships.
- ♦ The RM520 million Movie Animation Park Studios (MAPS) has ceased operations until further notice on 28 January 2020 – almost 3 years since it was opened to the public. According to the State Government of Perak in July 2020, although the asset is under liquidation, they are still hoping to source for a new operator to take over the theme park's management.



Kuala Lumpur

Selangor

Negeri Sembilan

CENTRAL REGION

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	492,848 units	↑ 2.0% y-o-y
Transaction Volume	4,100 units	↓ 22.5% y-o-y
Transaction Value	RM3,114.05 mil.	↓ 25.3% y-o-y

RETAIL

Supply	33.71 mil. sf	↑ 0.1% y-o-y
Occupancy Rate	82.4%	↓ 1.0% y-o-y
Rental	Prime: RM20.00psf – RM165.00psf	

PURPOSE-BUILT OFFICE

Supply	99.74 mil. sf	↑ 3.7% y-o-y
Occupancy Rate	77.2%	↓ 3.3% y-o-y
Rental	Prime: RM5.00psf – RM12.00psf	

HOTEL

Existing Supply	40,771 rooms	↓ 2.3% y-o-y
Incoming Supply	8,288 rooms	

Capital: Kuala Lumpur
Est. Population: 1.78 million
Area (km²): 243

(Source: DOSM)



KUALA LUMPUR

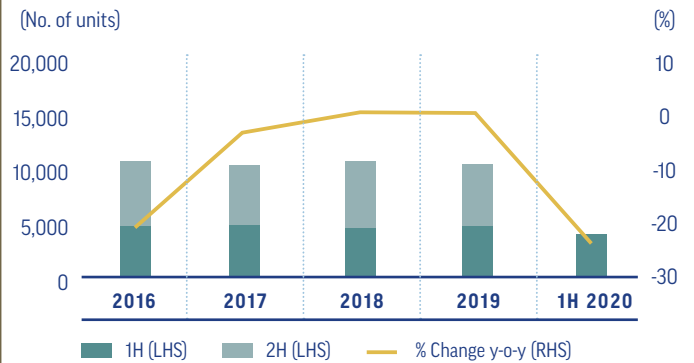
RESIDENTIAL

The residential market of Kuala Lumpur 6 months into the pandemic came through with contractions of 22.5% and 25.3% in volume and value respectively. On a 5-year trend, transaction activities have been stabilising while a gradual declining trend is seen in transaction values.

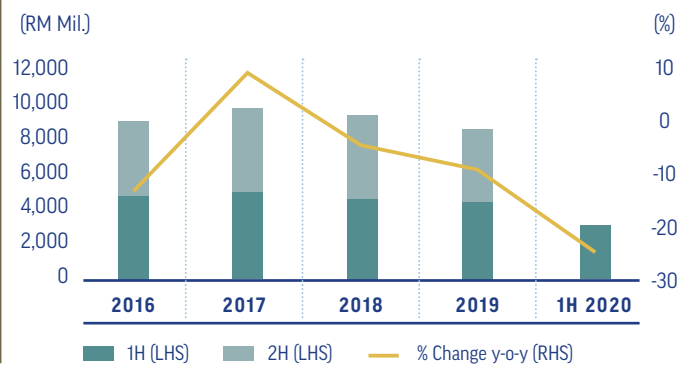
On the supply side, a marginal growth was seen y-o-y and puts Kuala Lumpur’s residential stock to almost half a million units, excluding serviced apartments and SOHO units who fall under the commercial category. If combined, Kuala Lumpur’s dwelling stock comes up to over 570,000 units currently in the market. As a state that is limited in land supply, the supply share of high-rise units (condominium, apartments, serviced apartments and SOHO) is at 57% of total dwelling count – unlike most other states that are still in majority of terraced and semi-detached units.

On the transacted prices, 61% are below RM500,000 which is considered within the affordable range depending on the location and size of the property unit. Properties of this price range are more often high-rise units as landed homes like 2-storey terraced and 2-storey semi-detached go generally from RM600,000 to above RM1.0 million.

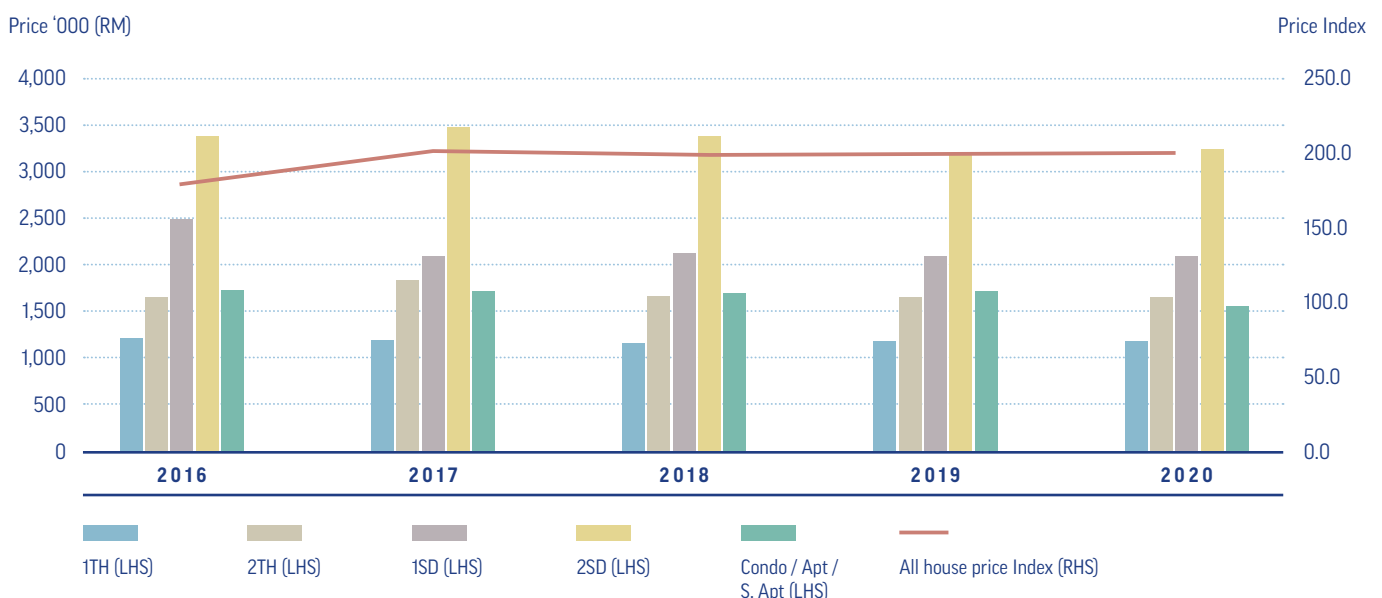
Number of Residential Property Transactions in Kuala Lumpur (2016-1H 2020) (Source: JPPH)



Value of Residential Property Transactions in Kuala Lumpur (2016-1H 2020) (Source: JPPH)



Kuala Lumpur Residential Property Price Trend & House Price Index (2016 - 2020) (Source: Rahim & Co Research, IHRM)



Selected Upcoming High-Rise Residential Properties in Kuala Lumpur

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Novo Ampang	Jalan Ampang	Serviced Apartment	395	From RM1.03 mil	2021
M Centura	Sentul	Condominium	1,413	From RM328,000	2021
The Estate	Bangsar	Condominium	328	From RM1.55 mil	2021
Senada Residences	Mont Kiara	Serviced Apartment	429	From RM833,000	2021
Millerz Square	Jalan Klang Lama	Serviced Apartment	330	From RM790,000	2021
One Cochrane Residence	Jalan Cochrane	Condominium	448	From RM948,000	2021
Hampton Damansara	Damansara	Condominium	700	From RM800,000	2021
Sinaran Wangsa Maju	Setapak	Serviced Apartment	206	From RM486,000	2021
M Vertica (Tower A)	Cheras	Serviced Apartment	808	from RM560,000	2022
The Chamber	Jalan Putra	Serviced Apartment	509	From RM506,493	2022
Razak City Residence	Sg Besi	Serviced Apartment	5,748	From RM429,000	2022
Residensi Bintang Bukit Jalil	Bukit Jalil	Condominium	1,342	From RM553,000	2022
M101 SkyWheel	Jalan Raja Muda Abd Aziz	Serviced Apartment	94	from RM700,000	2022
The Como	Bukit Jalil	Condominium	320	From RM733,000	2023
Kenwingston Platz Residence	Jalan Gombak	Serviced Apartment	849	From RM406,000	2023
Rosewoodz	Bukit Jalil	Serviced Apartment	329	From RM586,000	2024
Sunway Belfied	Jalan Maharajalela	Serviced Apartment	880	From RM590,000	2024
MH Platinum 2	Setapak	Serviced Apartment	284	From RM322,000	2024

In a situation of high property prices and large supply of high-rises, the overhang scenario for Kuala Lumpur is moderately serious considering it has more than doubled since 2016 – having grown from 2,552 overhang units to 5,978 overhang units worth RM5.35 billion as at 1H2020. Of this unsold stock, an overwhelming 99% are high-rise units, consisting of condominium/apartments, serviced apartments and SOHO developments. For the price tags, 83% are above RM500,000 to beyond RM1.0 million.

Though Kuala Lumpur may be a state of high-rise units over landed homes, the overhang statistics does not bode well when put alongside the incoming supply of 101,412 new dwelling units already under construction. More so, almost all of these new units are the high-rise types and looking at the overhang trend, may likely lead

to a bigger overhang stock should demand not pick up the pace. But with land scarcity and ultimately high land prices in Kuala Lumpur, high-rise developments would be the most feasible approach for most developers looking to maximise the land's potential. With Covid-19 adding on more complexity to the equation, developers and homebuyers are still in the works to finding the right balance between supply and demand.

The issue of affordability in house prices and high living costs remains at the forefront for the residents of Kuala Lumpur and with the pandemic bringing job insecurities and financial instability into the picture, homebuyers are in a stricter position of having to put affordability over preference; for those who have the ability to put their purchase on hold will likely do so until the economy is

back on its feet. For some, the option of rent would be more appealing in its flexibility to exit when need be as the nation struggles through the pandemic wave. With supply in abundance, developers are under even greater pressure to hit the right balance of product to price tag offered in strategic or desirable locations.

RETAIL

As the capital state of Malaysia and the major hub of business and leisure, Kuala Lumpur's retail sector had gone through the ringer as movement control orders of various levels disrupted mall opening hours and flow of foot traffic. People were highly sensitive to daily positive case reports and crowds would become volatile – one weekend a bustling scenery and the next just short of dead quiet.

Fortunately, the malls within Kuala Lumpur held up against the disruptive period and no closures of major malls were reported thus far. However, the pressure was more on retail tenants who had suffered from the sharp drop in consumer demand. A number of retailers had opted to exit such as Robinsons with the closure of both stores in The Shoppes at Four Seasons Place and The Gardens mall. One new mall had opened its doors to the public after several delays partly caused by the pandemic. The KL East Mall by Sime Darby Property Bhd was open to the public in November 2020 and offers a variety of brands and goods across 4 floors with a net lettable area of 384,210 sf. One of the main features available for the public was an ice-skating rink, similar to Sunway Pyramid's.

“THE MALLS WITHIN KUALA LUMPUR HELD UP AGAINST THE DISRUPTIVE PERIOD AND NO CLOSURES OF MAJOR MALLS WERE REPORTED THUS FAR. HOWEVER, THE PRESSURE WAS MORE ON RETAIL TENANTS WHO HAD SUFFERED FROM THE SHARP DROP IN CONSUMER DEMAND.”



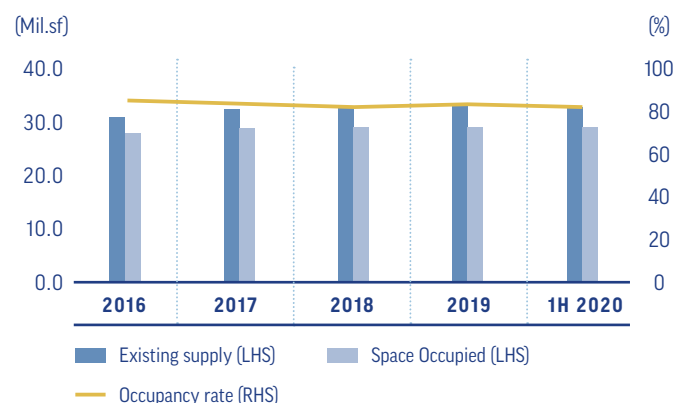
Kuala Lumpur City Centre

Despite the injection of new spaces in 1H2020, occupancy rates held up well with just a marginal fall of 1.0% and maintains its position of above 80%. But in the pipeline, things may get tougher as a sizable 6.88 million sf of new retail space already under construction are on its way into the market. From smaller-scale malls like the 8 Conlay and Met Galleria to the bigger players like Lalaport Mall@BBCC and The Exchange TRX Mall boasting over 1.0 million sf each, competition will be high to secure good tenants who will then bring in the crowd and liveliness of a bustling mall.

Another point to note of is that despite Kuala Lumpur's occupancy rate to be at a healthy 82%, this still leaves 5.94 million sf of vacant spaces in the market. On a bigger picture, this would call for concern on whether the absorption rate is able to grow alongside supply or will it instead be a situation of tenants moving from one place to another newer place which will result in falling occupancy levels. This risk is compounded by the transition to e-commerce which has been boosted with the improvement in ICT infrastructure.

Existing Supply & Occupancy Rate of Retail Spaces in Kuala Lumpur (2016-1H 2020)

(Source: JPPH)



Selected Upcoming Retail Malls in Kuala Lumpur

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA) SF	EXPECTED COMPLETION
Datum Jelatek Mall	Keramat	491,484	2021
Fiesta Walk @ The Era Duta North	Segambut	277,000	2021
Met Galleria	KL Metropolis	81,000	2021
Lalaport Mall @ BBCC	Bukit Bintang	1.4 mil	2021
Pavilion Damansara Heights	Damansara Heights	1.0 mil	2021
The Exchange TRX Mall	Kuala Lumpur	1.3 mil	2022
Merdeka 118 Mall	Jalan Hang Jebat	900,000	2022
8 Conlay	Kuala Lumpur City Centre	200,000	2023
SkyMall @ M101 SkyWheel	Jalan Raja Muda Abd Aziz	200,000	2023
Oxley Tower	Kuala Lumpur City Centre	257,801	2023

Pre-existing malls are also sprucing themselves up to stay ahead of the game; one being Suria KLCC. Once occupied by Parkson Malaysia, a major redevelopment and extension project was done to the vacant space and has now been renamed as the Ramlee Mall.

Another established mall taking the route of refurbishment is the Starhill Gallery which has been renamed to the Starhill. Aiming for a reopening in 2021, this luxury shopping mall is on the mission to rebrand itself with renovation works and adding in new high-end names to their roster of tenants.

In the first half of 2020, the Movement Control Order (MCO) was implemented for about 2 months long with no private or economic activities allowed barring necessity services and goods. This had ultimately caused delays in construction progress and resulted in later completion targets. Two upcoming iconic malls that have had such happen to them are The Exchange TRX Mall and Merdeka 118 Mall; both having delayed their completion to 2022.

It is still yet to be seen if retail crowds will ever return back to normal before tenants are forced to cave in, especially for seasonal peak periods such as Christmas and year-end sales who will most likely be looking at a much smaller, subdued crowd in 2020. More so with international tourism still on hold as travelling activities remain restricted and selective.

PURPOSE-BUILT OFFICE (PBO)

At just a few hundred thousand square feet away from reaching 100.0 million sf mark, Kuala Lumpur continues to live up to its name as the epicentre of local and international business operations in Malaysia. As at 1H2020, the total office space of PBO buildings across Kuala Lumpur stands at 99.74 million sf with an occupancy rate of 77.2% – the latter registering a fall of 3.3% y-o-y.

Adding in to the challenge to Kuala Lumpur's office buildings is the sizable 22.75 million sf of vacant, unoccupied space currently sitting in the market. And going even further, some 15.78 million are in the pipeline to completion at various stages of construction. On a whole, with the pandemic adding further delays and setbacks to business dealings and tenancy movements, the office market may see a prolonged self-correcting period.

The pandemic has also exacerbated the challenge of building owners keeping and finding tenants amidst an unprecedented business environment. What more as alternative work cultures such as co-working and, more recently, work-from-home has gained traction as the best way to work around the Covid-19 restrictions and social distancing.

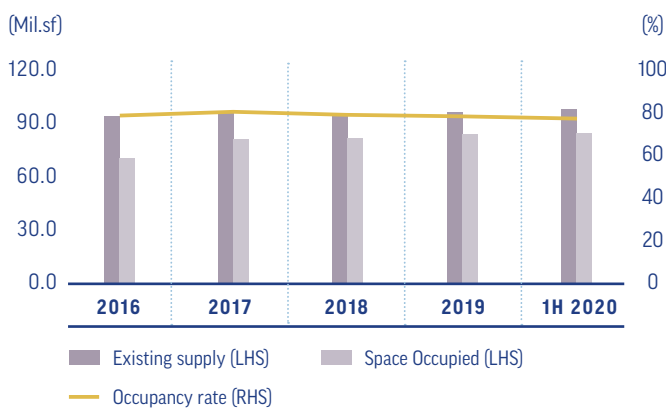
Selected Upcoming Purpose Built Offices in Kuala Lumpur

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA) sf	EXPECTED COMPLETION
HSBC Malaysia @ TRX	Tun Razak Exchange	568,000	2021
Affin Bank HQ @ TRX	Tun Razak Exchange	823,439	2021
The Stride @ BBCC	Jalan Hang Tuah	400,000	2021
UOB Tower 2	Jalan Raja Laut	N/A	2021
Pavilion Embassy	Jalan Ampang	N/A	2021
Merdeka 118 Tower	Jalan Hang Jebat	1.7 mil	2022
The MET Corporate Towers	KL Metropolis	600,000	2022
Aspire Tower KL Ecocity	KL Eco City	650,000	2022
Oxley Tower	Jalan Ampang	225,000	2023

Existing Supply & Occupancy Rate of Purpose Built Office in Kuala Lumpur (2016-1H 2020)

(Source: JPPH)



In 2020, new office buildings to note of are Menara YTL on Jalan Bukit Bintang and Menara Hap Seng 3 on Jalan P Ramlee. With the completion of Menara YTL, YTL Group has moved its corporate headquarters from YTL Plaza to the new tower, sizing at 392,021 sf in built-up.

Menara Hap Seng 3 has successfully seen the opening of its spaces with Tokio Marine Insurans (Malaysia) Bhd as its anchor tenant and on the ground floor up to level 3, Hap Seng Star has opened the Kuala Lumpur Autohaus outlet which is home to Malaysia's first Mercedes-Benz Accessories and Collection Boutique.

Rental rates of Grade A buildings within Kuala Lumpur hover between RM5.00 psf to RM9.00 psf pm, with office buildings within the prestigious KLCC precinct like Intermark and Menara Maxis commanding rental rates of as high as RM12.00 psf pm. Rental rates of accredited office spaces in Transit-oriented Developments (TODs) in decentralized areas such as KL Sentral and within the Bangsar South-Mid Valley vicinity were fetching rental rates of between RM7.00 psf to RM9.00 psf pm.

HOTEL

2020 was not the year for the hotel sector and headlines of closures were seen to pop up here and there since MCO took place back in March 2020. In Kuala Lumpur, a number of establishments took the road of temporary closures, renovation opportunity or the unfortunate permanent closure.

While most had to shut its doors during the MCO period and even little more after due to tourist absence, others like ParkRoyal Kuala Lumpur had taken the opportunity to undergo renovation during the pandemic-ridden period. Hotel Maya under Selangor Dredging Bhd is embarking on a refurbishing exercise in batches to uplift its appeal and maintain relevancy to the current taste and preference – completion targeted in June 2021. Swiss-Inn Chinatown is



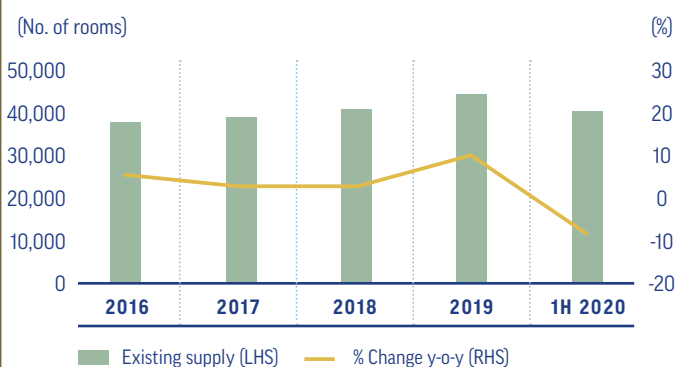
Kuala Lumpur Railway Station

currently closed but will undergo renovation at the right time, according to Swiss Garden International under the OSK Group umbrella.

On a less fortunate note, GTower Hotel had permanently ceased operations due to sudden occupancy drops and a bleak outlook for the remaining of the year thanks to Covid-19. Another establishment to have closed its doors is the E&O Residences Kuala Lumpur in September of 2020 on reason of being dealt the final blow by Covid-19 after having already struggled against uncertain global economic conditions.

Existing Supply of Hotels in Kuala Lumpur (2016-1H 2020)

(Source: JPPH)



Selected Upcoming Hotels in Kuala Lumpur

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	STAR RATINGS	NO OF ROOMS	EXPECTED COMPLETION
Kempinski Hotel	Jalan Conlay	5	260	2021
Canopy by Hilton	Bukit Bintang	5	456	2021
Fairmont KL	Jalan Ampang	5	750	2022
Park Hyatt @ Merdeka 118	Jalan Hang Jebat	5	232	2022
Mercure Kuala Lumpur Trion	Jalan Sungai Besi	4	260	2023
Courtyard by Marriot	Jalan Klang Lama	4	276	2023
Kimpton KL @ The Exchange TRX	Tun Razak Exchange	N/A	471	2023
So Sofitel Hotel	Kuala Lumpur City Centre	5	207	2023
Jumeirah Hotel	Jalan Ampang	5	190	2023

“WHILE MOST HAD TO SHUT ITS DOORS DURING THE MCO PERIOD AND EVEN LITTLE MORE AFTER DUE TO TOURIST ABSENCE, OTHERS LIKE PARKROYAL KUALA LUMPUR HAD TAKEN THE OPPORTUNITY TO UNDERGO RENOVATION DURING THE PANDEMIC-RIDDEN PERIOD”

But all is not lost as new players were seen to proceed with their plans on entering Malaysia’s market despite the pandemic dogging at their heels. Intercontinental Hotels Group plc (IHG) has plans to triple their presence in Malaysia in the next coming years with the introduction of The Kimpton KL hotel in The Exchange TRX and their boutique Hotel Indigo Kuala Lumpur on the Park at the base of Bukit Nanas. Both are looking at 2023 to start operations. Looking earlier at 2021 is another brand by IHG named Crowne Plaza Kuala Lumpur City Centre located along Jalan Yap Kwan Seng.

Another brand working to have its footprint in Kuala Lumpur is Ri-Yaz Assets Sdn Bhd with their upcoming Dash Hotel KLCC located in Jalan Mayang close to the Australian High Commission. With an offering of 233 guestrooms, the new hotel is slated from completion by end 2022.

NOTABLE ANNOUNCEMENTS

- ♦ Beach Club Café on Jalan P Ramlee has succumbed to the pressure of Covid-19 and closed its doors for good after having gone through months of close-to-zero visitors since the MCO lockdown.
- ♦ The well-known 162-year-old department store Robinsons has closed its remaining 4 stores in Kuala Lumpur and Singapore as it was financially unsustainable due to very low shopper traffic.
- ♦ Previously known as the Sungai Buloh-Serdang-Putrajaya Line, the Putrajaya Line is the second MRT line currently under construction with completion targeted by January 2023. Some of the major stations anticipated is at Persiaran KLCC, the Exchange TRX and Bandar Malaysia.
- ♦ The mega project Bandar Malaysia by IWH-CREC Sdn Bhd is back online after going through several hiccups since it was first introduced back in 2011.
- ♦ A funding worth RM4.5 million has been allocated by Kuala Lumpur City Hall (DBKL) towards the beautification of Taman Awam Rimba Kiara and will cater to the needs of elderly and young children.
- ♦ The rebranded Starhill mall will be having the Taiwanese bookstore Eslite as its anchor tenant – the Taiwan brand having this as their first foray into Malaysia’s market. Opening is scheduled to be in 2022.
- ♦ The Kampung Baru Redevelopment initiative continues on with a revision due to the change in governance early in 2020.

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	1,580,481 units	↑ 2.2% y-o-y
Transaction Volume	17,178 units	↓ 28.6% y-o-y
Transaction Value	RM8,436.86 mil.	↓ 27.8% y-o-y

RETAIL

Supply	39.96 mil. sf	↑ 3.4% y-o-y
Occupancy Rate	80.0%	↓ 3.1% y-o-y
Rental	Prime: RM10.00psf – RM40.00psf	

PURPOSE-BUILT OFFICE

Supply	43.39 mil. sf	↑ 5.1% y-o-y
Transaction Volume	71.4%	↓ 3.2% y-o-y
Rental	Prime: RM2.50psf – RM6.70psf	

HOTEL

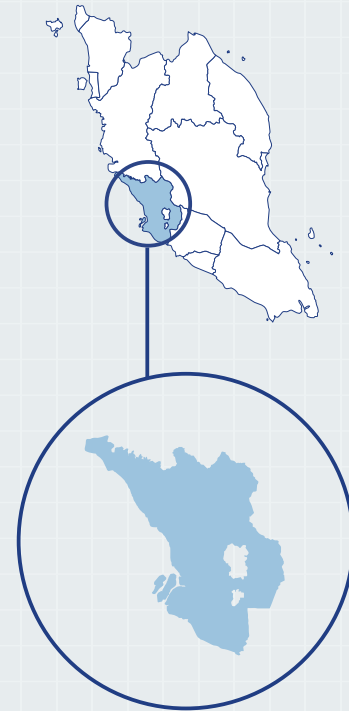
Existing Supply	22,747 rooms	↑ 1.5% y-o-y
Incoming Supply	1,843 rooms	

INDUSTRIAL

Supply	40,835 units	↑ 1.0% y-o-y
Transaction Volume	680 units	↓ 36.9% y-o-y
Transaction Value	RM3,264.53 mil.	↓ 13.5% y-o-y

Capital: Shah Alam
Est. Population: 6.53 million
Area (km²): 7,951

(Source: DOSM)



SELANGOR

DARUL EHSAN

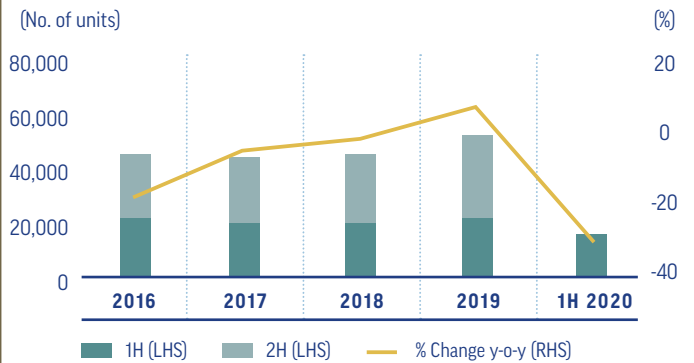
RESIDENTIAL

Being the state with the highest dwelling stock (including serviced apartment and SOHO units) also brings the weight of highest transaction share in the country. As at 1H2020, after a contraction of 28.6% in volume and 27.8% in value y-o-y, Selangor’s residential transaction market stood at 17,178 units worth RM8.44 billion.

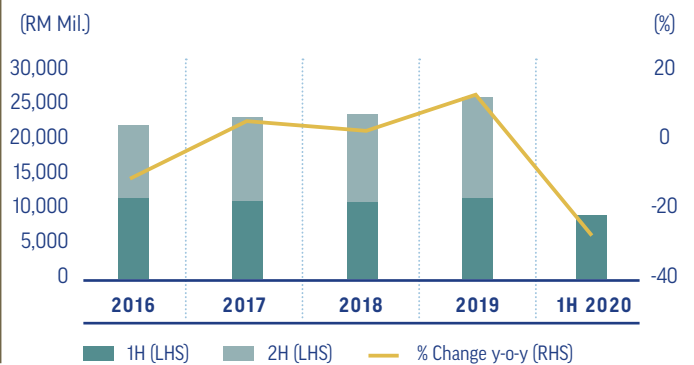
Of the transactions committed in 1H2020, 57% were transacted below RM400,000 and just 16% were above RM700,000. This pattern in prices strengthens the notion of affordable prices to still be in high demand and with the pandemic creating more tension and insecurity in homebuyers, affordable prices of decently sized homes are even more in demand.

As Kuala Lumpur is the place to be for high-rise lifestyles, Selangor retains the majority of landed homes as land supply is still available for such developments but in distance, gets further and further away from main commercial areas. Of the 1.69 million dwelling units in Selangor, areas with notable dwelling property stock are Gombak, Hulu Langat, Klang and Petaling at above 200,000 units each. Petaling, as the most popular area of residence, holds 45% of total dwelling stock.

Number of Residential Property Transactions in Selangor (2016-1H 2020)
(Source: JPPH)

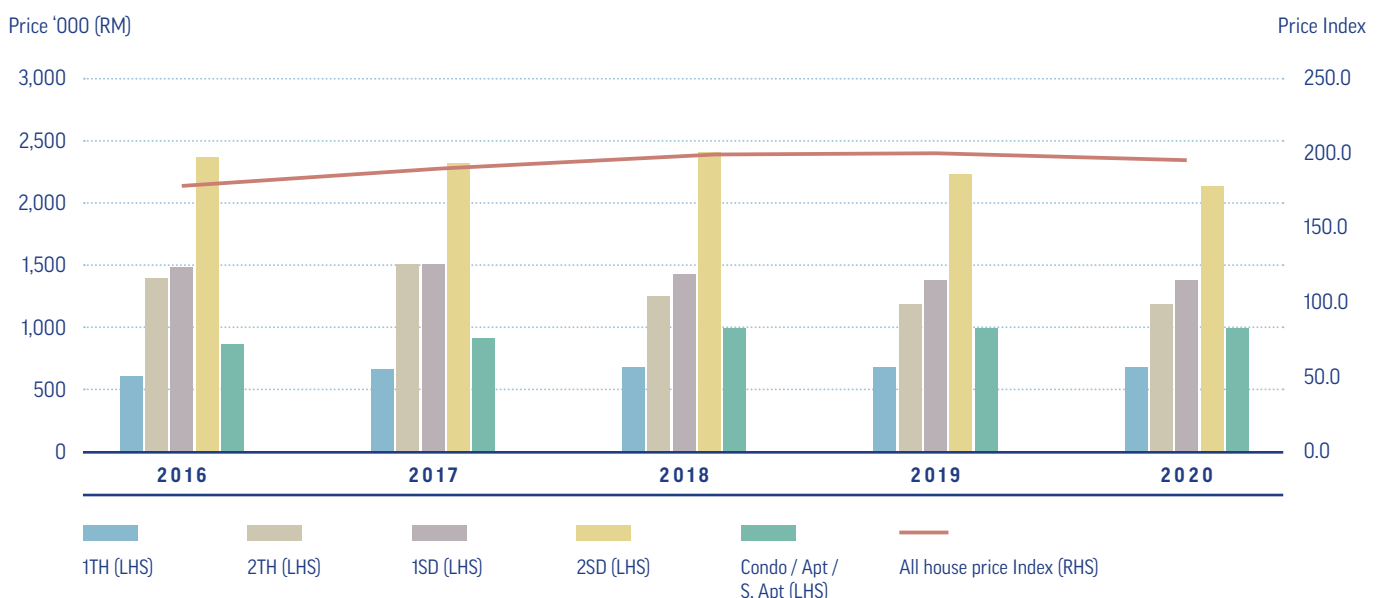


Value of Residential Property Transactions in Selangor (2016-1H 2020)
(Source: JPPH)



Petaling Jaya Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming High Rise Properties in Selangor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Greenfield Residence	Bandar Sunway	Condominium	816	From RM500,000	2021
Ryan & Miho	Petaling Jaya	Serviced Apartment	1,084	From RM544,000	2021
Lot 15	Subang Jaya	Serviced Apartment	204	From RM593,888	2021
Aera Residence	Petaling Jaya	Serviced Apartment	752	From RM410,000	2021
At Water @ Section 13	Petaling Jaya	Serviced Apartment	493	From RM463,000	2022
Sunway Serene	Kelana Jaya	Serviced Apartment	894	From RM800,000	2022
The Trees Damansara	Damansara	Condominium	408	From RM485,000	2022
Kita Ria Apartment @ Cybersouth	Dengkil	Serviced Apartment	690	From RM343,800	2022

Selected Upcoming Landed Residential Properties in Selangor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Elmina Valley Five	Shah Alam	2-sty Terraced	205	From RM906,887	2021
Ritma Perdana @ Alam Perdana	Puncak Alam	2-sty Terraced	100	From RM529,900	2021
Rentak Perdana @ Alam Perdana	Puncak Alam	1-sty Semi-Detached	28	From RM729,900	2021
Taman Tanming Mutiara 3	Sungai Long	3-sty Bungalow	22	From RM1.3 mil	2021
Monet Residence	Sunsuria City, Sepang	Townhouse	360	From RM550,000	2021
		2-sty Terraced		From RM700,000	
Broadleaf Residence	Kota Kemuning	3-sty Semi-Detached	116	From RM2.0 mil	2021
Greenwoods Cendana	Bandar Baru Salak Tinggi	2-sty Terraced	237	From RM540,000	2022
The Starling @ Bandar Rimbayu	Teluk Panglima Garang	2-sty Terraced	200	From RM728,888	2022
Elmina Green 3	Shah Alam	2-sty Terraced	60	From RM833,000	2022
Sejati Lakeside	Cyberjaya	2-sty Terraced	418	From RM1.1 mil	2022

In the pipeline, there are 108,459 new dwelling units in various stages of construction on the way to completion. By type, landed homes outnumber high-rise units but not by a large margin as developers are leaning more to higher density developments for the sake of better locations closer to main city centres.

The overhang situation for Selangor is a concern as Selangor comes in 2nd place after Johor with 8,669 overhang units worth RM6.13 billion. By product type, high-rise comes ahead with the biggest portion at 72% but there is also 2,146 units of landed homes still unsold despite completed. Just as with most other states, the demand for high-rise units is still lagging behind the accelerating pace of new supply coming in and with the dream home of Malaysians to be a landed type staying strong so far, there is still some traction before buyers show a significant shift in preference.

Despite 2020 hampered by the pandemic, major developers remained confident on the market to pick up in time and proceeded with their launches albeit some changes to launching strategies to have a better gauge of the market. Developers such as LBS Bina Group Bhd and S P Setia Bhd continued to expand their existing township with more phases launched: the former in LBS Alam Perdana and the latter in Setia EcoHill.

In Klang South, Mitraland Group has plans to launch another serviced apartment named The Tresor in their mixed-use development named Gravit8 in 2021. Currently, two other serviced apartments named Nordica and Adria were completed in 2019 and another two, Andaman and Ashino, targeting for completion in 2021.

RETAIL

As one of the segments in the leisure and tourism sector, the retail mall market was significantly affected by the wave of Covid-19 that is still plaguing the country up to the end of 2020 and right into 2021. Movement restrictions and temporary periods of market activity closures saw retail malls running at minimal capacity or, for some, outright closure for more than a month.



Shah Alam Mosque, Shah Alam

For Selangor who relies on both the locals and international visitors to grace its retail establishments, periods of dead or low foot traffic became common, more so with less popular malls, even when MCO was lifted as people remained cautious and avoid in public, crowded places. While there have been bouts of promising crowd sizes on weekends, sales remained low as wallets were strung tight amidst job losses and pay cuts.

With a size of 39.96 million sf as at 1H2020, Selangor's retail mall occupancy rate fell just 3.1% and maintains right at the 80% mark. This comes after a small increase in retail space within 1H2020. But despite showing a firm occupancy rate, the vast total supply means that the remaining 20% or vacancy space is at 7.98 million sf – a rather alarming size as it is. As 2020 runs by and 2021 encroaches in, tenants are struggling to stay afloat and it is yet to be seen if pre-Covid-19 shopping traffic will ever return or will a new shopping dynamic take place moving forward.

But pandemic aside, several new malls were seen to open its doors and were confident that demand and foot traffic will ease back in. To name a few: KIP Mall Desa Coalfields in Sungai Buloh, Tropicana Gardens Mall in Kota Damansara, the Quayside Mall by Gamuda Land in Kota Kemuning and Phase 2 of Setia City Mall in Shah Alam. In the pipeline, Selangor will be looking at a future injection

Selected Upcoming Retail Malls in Selangor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA) sf	EXPECTED COMPLETION
KSL Esplanade Mall	Klang	650,000	2021
EcoHill Walk Mall	Semenyih	280,000	2021
Pier8 @ Gravita8	Klang	150,000	2021

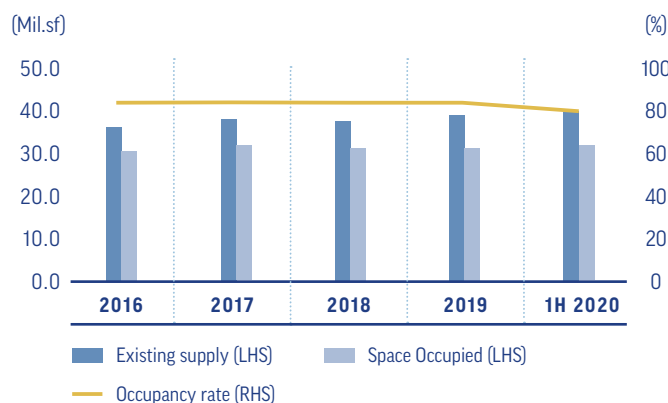
“SELANGOR WILL BE LOOKING AT A FUTURE INJECTION OF 5.17 MILLION SF OF NEW RETAIL MALL SPACE INTO THE MARKET”

of 5.17 million sf of new retail mall space into the market and while this would excite many to see new retail malls gracing their local neighbourhood areas, there is concern on this wave of more spaces to overstep demand and consequently result in depressing occupancy rates.

This is with consideration that over the past 5 years, occupancy levels have gradually decreased as supply increased. The unique situation Selangor finds itself in is that supply must also be viewed in addition to Kuala Lumpur's as both are closely intertwined and consumers frequently intersecting – hence both more often referred to as Klang Valley.

Existing Supply & Occupancy Rate of Retail Spaces in Selangor (2016-1H 2020)

(Source: JPPH)



PURPOSE-BUILT OFFICE (PBO)

The PBO market in Selangor saw little growth in supply, coming to 43.39 million sf as at 1H2020, but occupancy rate has continued to fall by a marginal 3.2% - bringing the occupancy level of Selangor's office spaces closer to the 70% mark. At this level of tenancy, Selangor is looking at 12.41 million sf of vacancy space.

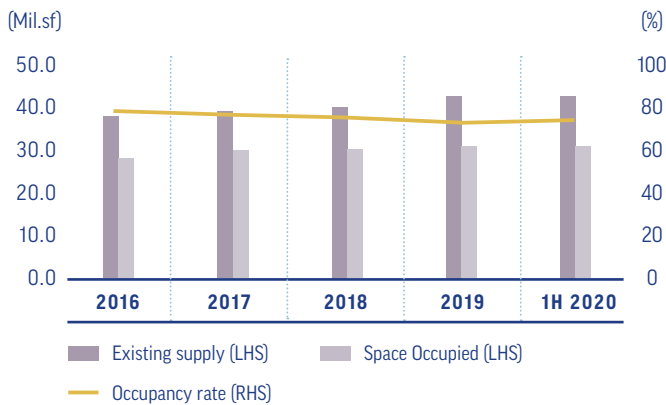
In view with the pandemic situation Malaysia finds itself to still be experiencing, the demand for office spaces has taken a shift as a way to cope with the requirement of social distancing or office closures during close case detection – the shift being towards remote working at co-working spaces or simply work-from-home (WFH).

And adding in another 2.24 million sf in the pipeline currently under construction, Selangor may be seeing its tenancy levels drop further in the next few years should demand not pick up with the pace of supply coming in. Similar to the retail sector, the perspective of Selangor's office scene should not be seen in isolation and instead alongside Kuala Lumpur's office sector considering the level of cross-bordering movement occupants of the office buildings do on a daily basis between these two states.

Some of the completions to note of in 2020 is the Sumurwang Tower at i-City and HCK Tower at Empire City Damansara. Dubbed as the Selangor Golden Triangle, i-City by i-Bhd was visioned to be an international class, master-planned transit-oriented development (TOD) and stimulate Selangor's economic growth. Further strengthening its position as the next TOD destination is the soon-to-come LRT3 Section 7 Station which will be connected via a walkway to and from i-City. But the main

Existing Supply & Occupancy Rate of Purpose Built Office in Selangor (2016-1H 2020)

(Source: JPPH)



piece of the whole development is still in the works – the 79-storey SGT Tower that will house offices and a 5-star hotel. Upon completion, SGT Tower will be the tallest landmark in Selangor.

HOTEL

As the hotel sector were the first to be hit hard by the pandemic due to the borders being closed and tourism travels temporarily halted for a period of time, Selangor’s own hotel sector have survived thus far with no closures of notable establishments reported. As at 1H2020, the state’s guestroom count stood at 22,747 rooms and making up to 201 hotel and resort establishments of various star ratings.

And pandemic aside, openings of new establishments had taken place in 2020. One being the 220-room Park Inn by Radisson in Putrajaya. Making this its first foray into Malaysia’s market, Radisson Hotel Group has positioned the hotel to be a bright upper-midscale brand that is perfect for business and leisure travellers looking to stay in Malaysia’s administrative capital city.

In January 2020, Klang saw its first international 5-star hotel named the Wyndham Acmar Klang by Wyndham Hotels & Resorts. Boasting a 488-guestroom capacity, this new establishment is now a new landmark added to Klang’s property scene.

Shining another spotlight on i-City is the opening of DoubleTree by Hilton in 2021. Built as part of the signature SGT Tower, the new 5-star hotel will be the tallest hotel in Selangor upon completion. This will be i-City’s second hotel to date for the entire development; the first being Hotel Best Western i-City.

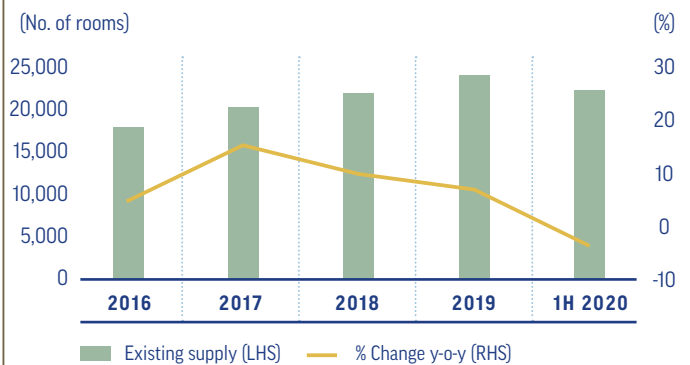
Another hotel on its way to rejuvenate the town of Klang is the upcoming Esplanade Hot Spring Hotel in KSL Bandar Bestari. Developed by KSL Holdings Bhd, the 4-star hotel is located adjacent to their own upcoming KSL Esplanade Mall and boast a room capacity of 430 guestrooms. Both the hotel and mall are scheduled for completion in 2021.

In response to Covid-19’s prolonged presence in the country for months long, hotels have taken an alternative approach to drawing in customers by way of offering Work-From-Hotel or Workcation.

In selling the idea of getting out of the house while still social distancing and getting work done, several hotels were seen to jump on board this new trend of working spaces that offers guest a place to work and relax for hours in a day – the spaces offered ranging from single desk to a whole private room. Some establishments offering such packages are Eastin Hotel Petaling Jaya, New World Hotel, Grand BlueWave Hotel and One World Hotel.

Existing Supply of Hotels in Selangor (2016-1H 2020)

(Source: JPPH)



INDUSTRIAL

The industrial market of Selangor continues to stay strong and maintains its top spot in largest industrial supply at 40,835 which is equivalent to 35% of Malaysia’s industrial supply. Within a 12-month period from 1H2019, the industrial sector saw a small, marginal growth of 1% in supply but as the pandemic swept through the nation and worldwide, transaction activities fell by 36.9% in volume and 13.5% in value.

By locality, Petaling holds the biggest stock in the state at 35% and following after is Klang at 21% and Hulu Langat at 18%. By product type, terraced factory dominate the market by 70% this is further driven by the incoming supply favouring terraced types as well – 463 new units out of total 970 new units currently under construction.

Selangor’s industrial scene benefits from the boom in glove-making as glove-making companies expanded their production line with the aid of outside companies foraying into glove-manufacturing for the first time. This was observed in Salcon Bhd acquiring a 51% stake in JR Engineering and Medical Technologies (M) Sdn Bhd, and Inix Technologies Holdings Bhd acquiring a 51% stake in L&S Gloves Sdn Bhd.

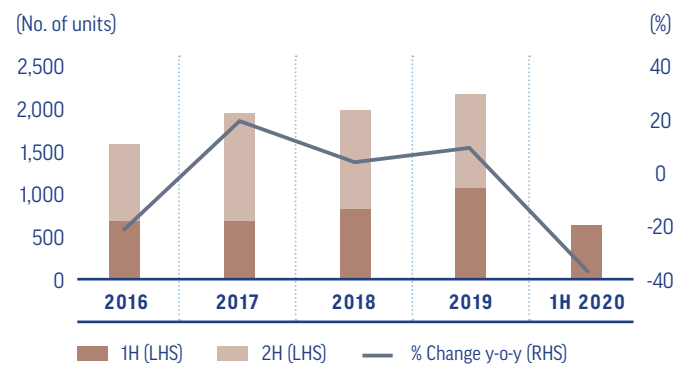
Moving forward, big plans are under way to further improve and boost up Selangor’s position as one of the main industrial hubs in Malaysia. In Kuala Langat, NCT Group of Companies and Future Inno Park Sdn Bhd had signed a Memorandum of Understanding (MoU) to develop Selangor’s potentially largest industrial park named Kuala Langat Industrial Hub. Located on the border between Kuala Langat and Sepang, this upcoming industrial hub is within strategic distance to KLIA 1 and KLIA 2 and aims to attract investors in the international market.

Another major industrial hub set to launch in 2021 is the 220-acre COMPASS@Kota Seri Langat. The RM1.4 billion industrial project is done through a joint development between Permodalan Nasional Bhd (PNB), Retirement Fund Inc (KWAP) and AREA. This upcoming industrial and logistics hub will be offering built-to-suit warehouses and manufacturing facilities ranging from 100,000 sf

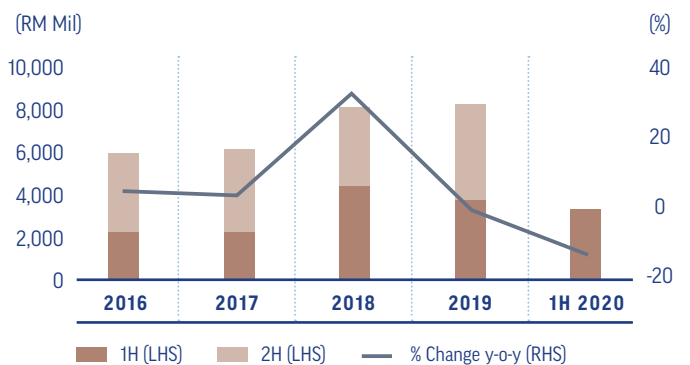
to 1.0 million sf. Smaller detached factories of 8,000 sf to 50,000 sf will also be offered. Following the current trend in industrial parks, the development will be gated & guarded with a fully integrated suite of services for logistics and e-commerce operators, manufacturers and SME industries.

Hap Seng Consolidated Bhd is also putting its focus on completing their industrial hub in Shah Alam. Named Hap Seng Industrial Hub, the development has a total built-up area of 1.38 million sf and also includes some commercial components to compliment and cater the needs of logistics-centric businesses.

Number of Industrial Property Transactions in Selangor (2016-1H 2020) (Source: JPPH)



Value of Industrial Property Transactions in Selangor (2016-1H 2020) (Source: JPPH)





NOTABLE ANNOUNCEMENTS

- ◆ As at 30th June 2020, the 37.8 km LRT Bandar Utama-Klang Line (LRT3) has reached 33.12% construction progress and is scheduled for full completion by February 2024.
- ◆ The Shah Alam City Council (MBSA) has a new rezoning plan named MBSA Local Plan Draft 2035 that outlines land use and development from 2021 to 2035 – listed as part of the proposed developments is the i-City, poised to be Malaysia's own 'Silicon Valley'.
- ◆ On 19th October 2020, Subang Jaya was officially promoted from a municipality to a city status.
- ◆ Taking advantage of the quiet period during Covid-19, Invest Selangor is in the process of identifying and changing the status of several areas to be developed into new industrial areas – this includes areas in Klang, Kuala Langat and Sepang.
- ◆ As at August 2020, Section C of the East Coast Rail Link (ECRL) that connects Pahang to Port Klang has not been finalised yet – the debate on whether to proceed with the new or original alignment.

Port Klang

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	285,718 units	↑ 4.3% y-o-y
Transaction Volume	4,115 units	↓ 33.1% y-o-y
Transaction Value	RM1,220.98 mil.	↓ 29.9% y-o-y

RETAIL

Supply	6.43 mil. sf	↑ 2.8% y-o-y
Occupancy Rate	69.4%	↓ 2.8% y-o-y
Rental	Prime: RM3.50psf – RM42.00psf	

PURPOSE-BUILT OFFICE

Supply	3.65 mil. sf	↑ 2.6% y-o-y
Occupancy Rate	89.9%	↑ 0.1% y-o-y
Rental	Prime: RM1.00psf – RM3.40psf	

SHOP OFFICE

Supply	26,416 units	↑ 4.4% y-o-y
Transaction Volume	219 units	↓ 40.0% y-o-y
Transaction Value	RM117.26 mil.	↓ 47.5% y-o-y

HOTEL

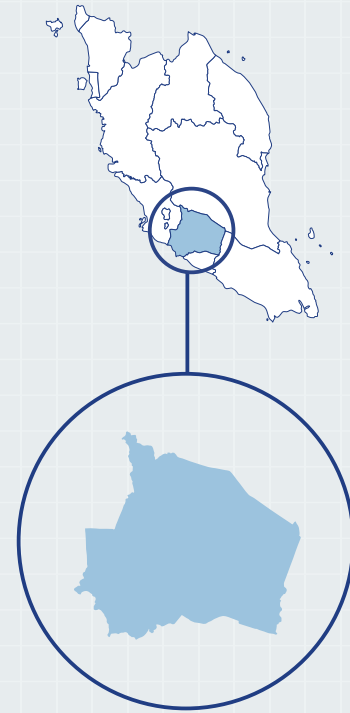
Existing Supply	9,399 rooms	↓ 6.2% y-o-y
Incoming Supply	1,596 rooms	

INDUSTRIAL

Supply	5,524 units	↑ 0.1% y-o-y
Transaction Volume	115 units	↓ 52.1% y-o-y
Transaction Value	RM218.94 mil.	↓ 28.3% y-o-y

Capital: Seremban
Est. Population: 1.13 million
Area (km²): 6,656

(Source: DOSM)



NEGERI
SEMBILAN
DARUL KHUSUS

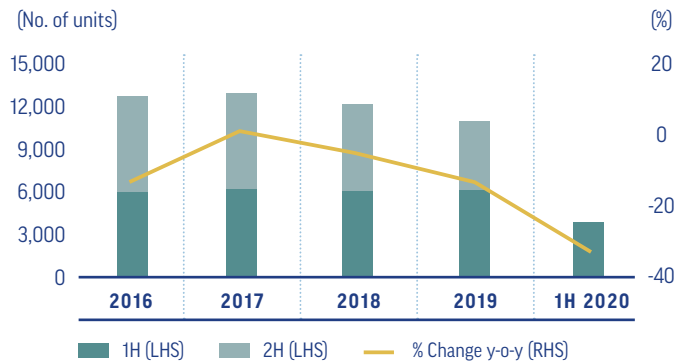
RESIDENTIAL

Poised as the next best alternative to stay in besides Klang Valley, Negeri Sembilan has slowly gained traction in both developers' and buyers' radar when looking for their home destination. With an existing housing stock of 285,718 residential properties, the most popular product type by count is terraced houses at a glaring 57.8% supply share alone.

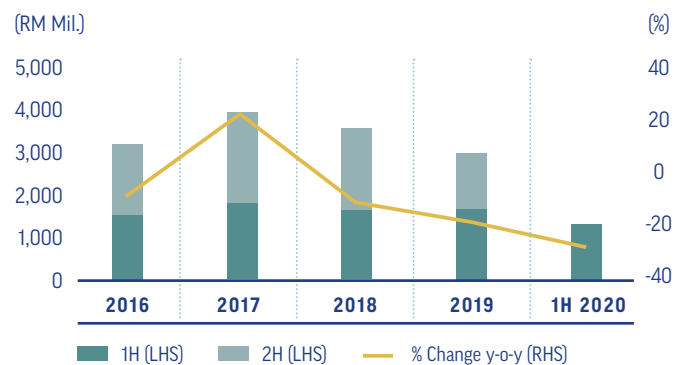
Under the high-rise category, condominium/apartment types have not shown much growth at just 10% in the past 5 years (1H2020: 16,131 units) but for the serviced apartment type, numbers have almost doubled from 1H2016 at 6,677 units to 1H2020 at 11,285 units. These units are located in either Port Dickson or Seremban.

Negeri Sembilan's market activities for the residential sector had felt its share of brunt from Covid-19's disruptive health scare with a 33.1% and 29.9% contraction in volume and value of property transactions respectively. While the fall is mainly attributed to the unexpected pandemic, the market has shown to already be on a downward trend since 2017 and the pandemic may have further hindered the next positive upturn.

Number of Residential Property Transactions in Negeri Sembilan (2016-1H 2020) (Source: JPPH)

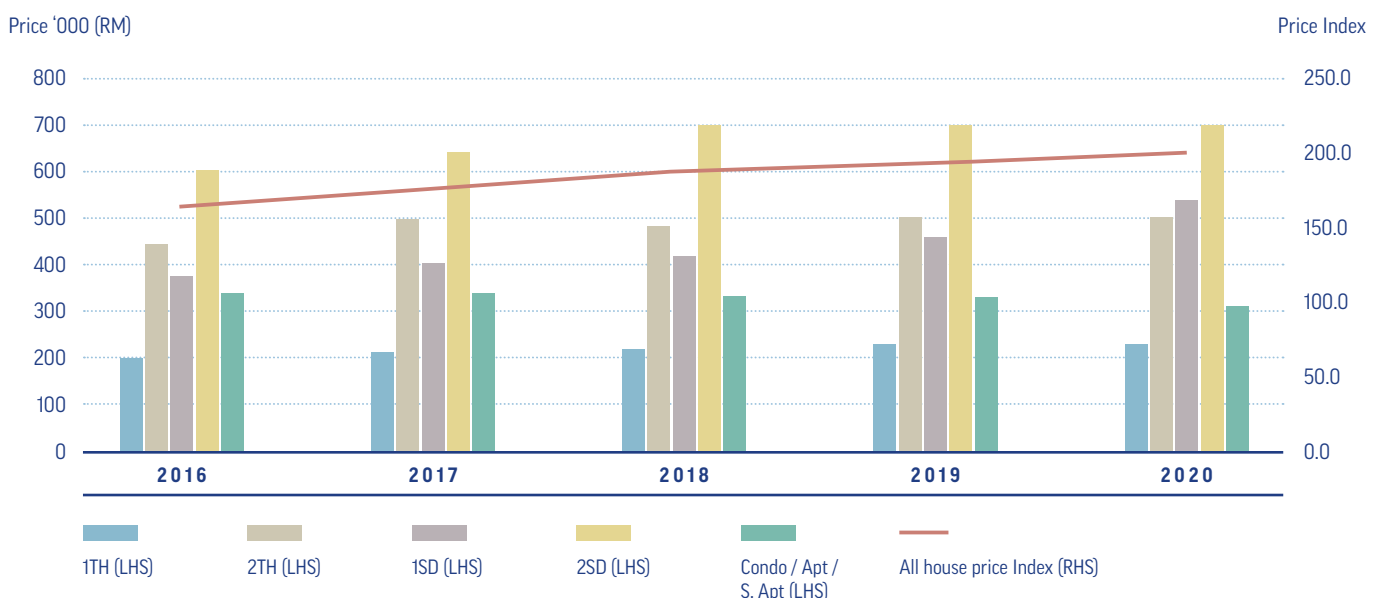


Value of Residential Property Transactions in Negeri Sembilan (2016-1H 2020) (Source: JPPH)



Seremban Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Negeri Sembilan

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Semaya @ Iringan Bayu	Seremban	1-sty Terraced	312	From RM321,000	2021
Ervina @ Ara Sendayan	Seremban	2-sty Semi-Detached	46	From RM1.39 mil	2021
Embun 2 @ Bandar Ainsdale	Seremban	2-sty Terraced	180	From RM549,000	2021
Residensi KLIA	Nilai	Serviced Apartment	612	From RM336,000	2021
Youth City	Nilai	Serviced Apartment	570	From RM320,000	2022
Tiara Sendayan @ Bandar Sri Sendayan	Labu	2-sty Terraced	428	From RM444,908	2022
Sena Parc	Senawang	2-sty Terraced	54	From RM580,000	2022
Dwi @ Rimbun Kasia	Nilai	Apartment	382	From RM358,000	2022
Rimbun Impian @ Seremban Heights 2	Seremban	2-sty Terraced	345	From RM660,000	2022

Of the properties transacted, 85.5% are tagged below RM500,000 and indicates that buyers are much in favour and financially capable of houses at the affordable price range. This is more so as Negeri Sembilan is the cheaper alternative to Klang Valley when looking for landed homes. The overhang situation for the residential sector is on the lower side with only 959 units worth RM534.03 million recorded as at 1H2020.

On the transacted prices in 2020 for the prime areas of Seremban, 1-storey terraced houses in places of Taman Rasah Jaya, Taman Seremban Jaya and Taman Nusari Bayu averaged at RM240,000 whereas 2-storey terraced units in Taman Bukit Kepayang went at RM500,000. For high-rise units in Tasik Mewah and Le Renaissance, prices averaged at RM300,000 while Kalista Residence went at a slightly higher RM350,000.

Despite 2020 bringing more struggles and losses for most due to the pandemic, some developers did not back down and instead proceeded with their respective launches with confidence in the market to recovering back. Seremban continues its rapid pace in development with the entrance of new developments. Matrix Concepts expanded their Laman Sendayan offerings with the launch of two new precincts in 2020: Avisa and Belissa in Precinct 4, Cassia and Delia in Precinct 2. All types offered are 1 and 2-storey terraced units sized from 1,075sf and 2,064sf respectively, prices are set between RM225,000 to RM398,888 and above.

Another developer seen to expand its existing township is OSK Property for their Iringan Bayu development. Launching two phases a few months apart, Mekary of phase 4 and Desira of phase 5 came on board with terraced houses priced from RM342,000. Sizes ranged between 1,098sf to 1,897sf. Completion is targeted to be in 2022.

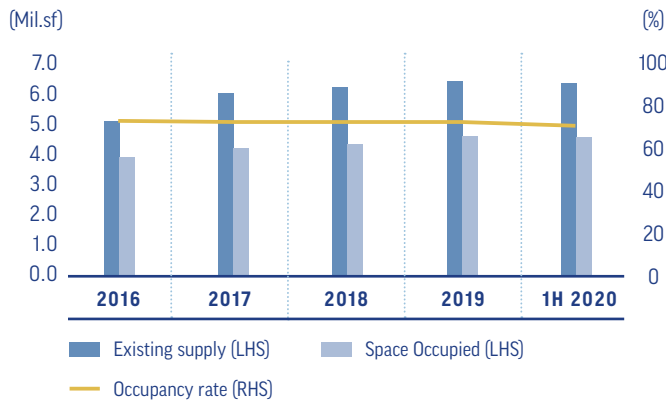
On the high-rise segment, Seri Pajam Development Sdn Bhd had launched their next condominium project named Tunas Residensi within the township of Nada Bidara at Gadong Jaya, Seremban. Tunas Residensi offers 460 units sized between 930sf to 1,000sf in built-up space and go at a price tag of RM225,000 onwards. These units are distributed between 3 tower blocks. Completion is aimed by 2023.

RETAIL

The supply of retail spaces in malls for Negeri Sembilan has relatively maintained at 6.43 million sf – mall count remains at 92 but retail space grew at 2.8%. But occupancy rate has continued to fall consistently in the 5 years and now having gone just below the 70% mark to 69.4% in 1H2020. In terms of vacant space, this leaves 1.97 million sf of retail mall space sitting idle in the market; an increase of about 230,000 sf from 1H2019.

Existing Supply & Occupancy Rate of Retail Spaces in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



No new completions or incoming of new spaces were recorded for the review period. This may provide some period of relief for the market to regain back its supply to demand equilibrium and overall improve the occupancy rate.

Rental rates of ground floor spaces in Seremban’s retail malls are relatively stable. Well-established and popular malls such as Giant Hypermarket in Senawang, AEON Seremban 2 and AEON Nilai command prime rates of between RM33.00 to RM42.00 psf pm. Other malls at a lower RM4.00 to RM14.00 psf pm are Palm Mall on Jalan Sg. Ujong and Terminal One on Jalan Lintang.

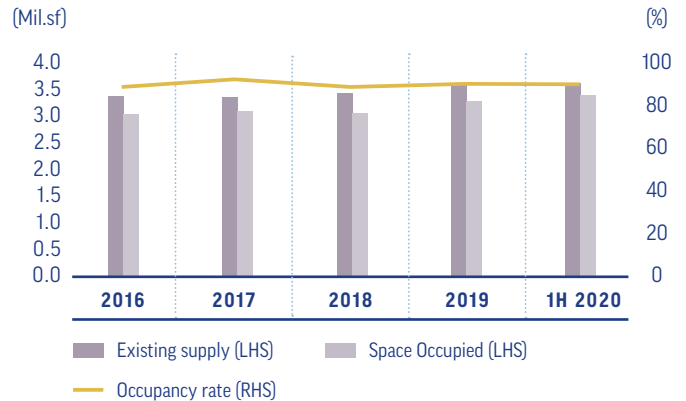
PURPOSE-BUILT OFFICE (PBO)

Occupancy performance for the PBO market of Negeri Sembilan has maintained at 89.9% despite the slight increase of 91,800 sf into the market within the review period. Vacant spaces are at 368,600 sf and is equivalent to 10% of total office space. By location distribution, Seremban holds the biggest portion of office space at 2.13 million sf out of the overall 3.65 million. Seremban 2 follows behind at a much smaller 471,233 sf.

In the pipeline, Seremban will be seeing another 102,117 sf of new office space into the market for the next few years. With occupancy still at a healthy 90% range, new entrants may not have much effect if demand continues to hold strong.

Existing Supply & Occupancy Rate of Purpose Built Office in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



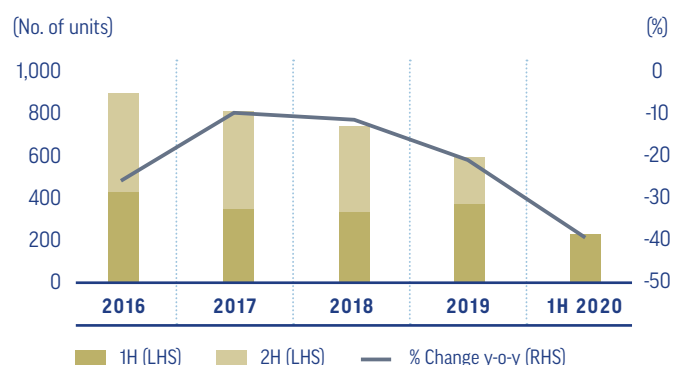
On a general basis, PBO spaces within Seremban are observed to range between RM1.00 to RM3.40 psf pm. Office buildings at the top tier of rental rates are the likes of Menara MAINS, Seremban City Centre and Menara Zurich.

SHOP OFFICE

The shop office sector has also felt its share of market hit by the pandemic as shown by the drop in volume and value of transactional activities; 40.0% and 47.5% respectively. Having fallen by almost half from last period’s performance, the downward trend already happening from 2016 may take a deeper slide should the second half of the year not pull enough weight to make up for the loss. The primary product transacted is 2-storey shop offices and despite the drop in transaction activities, pre-war units have increased by 40% y-o-y.

Number of Shop Office Property Transactions in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



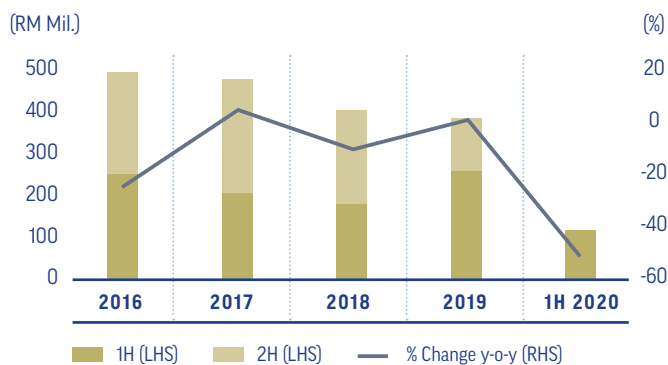
Selected Newly Completed & Upcoming Shop Offices in Negeri Sembilan

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Oakland Lifestyle Retail Shops	Seremban	4-sty Shop Office	86	From RM303,900	2020
Sendayan MetroPark 2B @ Bandar Sri Sendayan	Seremban	2&3-sty Shop Office	71	From RM1.04 mil	2020
Pusat Komersial Lobak 2	Seremban	2&3-sty Shop Office	14	From RM1.79 mil	2021
Tiara Biz @ Tiara Sendayan	Seremban	2-sty Shop Office	50	From RM836,000	2021

Value of Shop Office Property Transactions in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



As at 1H2020, the existing shop office supply is at 26,416 units with 56.7% share being 2-storey types. By locality, Seremban is far ahead in supply contribution at 64.2%. Other areas to note, though at a smaller supply count, are Jempol, Port Dickson and Tampin with an average shop office stock of 2,335 units each. Further putting 2-storey types as the most product offered by the market is the addition of 823 new units currently in the pipeline.

Looking into the shop office units transacted in 2020 in the Seremban vicinity, 2-storey types vary in price range depending on the scheme and location it is in. For 2-storey units in Bandar Prima Senawang, Bukit Blossom City Centre and The Plazo @ S2 Heights, price tags went between RM950,000 up to RM1.2 million. But in places like Senawang City Square, Taman Matahari Heights and Taman Senawang Indah Fasa II, prices are at a lower RM450,000 to RM600,000. All units observed were sized within 2,650sf to 3,430sf in built-up.

Overhang numbers have further decreased to 340 units from 396 units in 1H2019 though value had instead increased to RM235.4 million from RM214.5 million. Close

to half of this completed yet unsold stock are found in Tampin district.

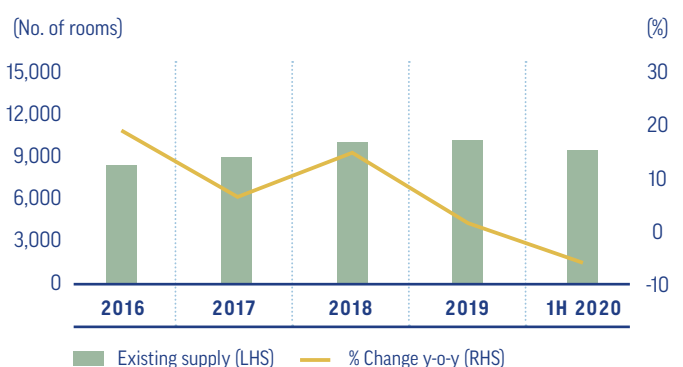
HOTEL

As movement restrictive orders were implemented nationwide to prevent the spread of Covid-19, tourism were amongst the hardest hit sectors and hotel establishments suffered from the absence of local and international tourists for most of the year. Negeri Sembilan's hotel sector was no exception and was heavily impacted by the loss in tourism activities – as evidenced by the decrease in hotel room supply due to one hotel closure thus far considering the reinstatement of movement restrictions orders at the time of writing.

As the popular destination in Negeri Sembilan, Port Dickson had experienced a period of revival in local tourist after MCO was lifted back in June but things came back down after the resurgence of new cases and re-implementation of border travel restrictions in September onwards.

Existing Supply of Hotels in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



No new hotel openings were seen during the review period but the sector is expecting 6 new hotels to enter the market soon barring any delays caused by the pandemic disruption – bringing in 1,596 new hotel rooms.

One of the big upcoming hotel projects is the Lexis Hibiscus 2 by Kuala Lumpur Metro Group and Menteri Besar Inc Negeri Sembilan. Bringing in a total of 760 villas, this 5-star luxury resort situated along Pasir Panjang beach will be operated by Lexis Hotel Group and set for completion in 2024.

INDUSTRIAL

1H2020 saw Negeri Sembilan's industrial market at 5,524 units in stock capacity and Seremban being the district with the biggest supply share at 80.9%. Transaction activities did not fare well against economic disruption and had fallen by 52.1% and 28.3% in volume and value respectively – putting 1H2020's activity performance at 115 units worth RM218.9 million. This puts a big dampener on market recovery as seen by 2019's positive growth after a period of downward slump.

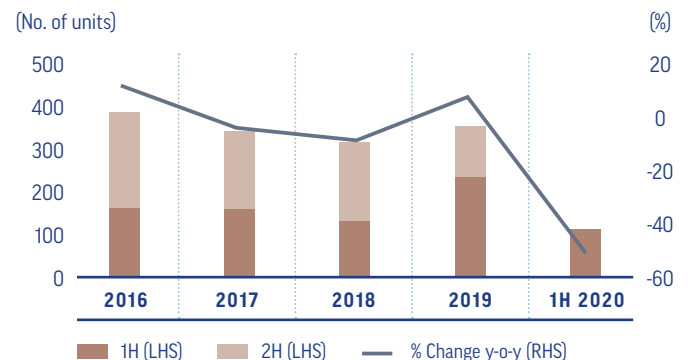
The overhang picture remains modest at only 79 industrial units worth RM60.7 million and all units are located in Jempol. Price tags of such units are mostly between RM500,001 to RM800,000 with the remaining above RM1 million.

On the transaction scene, 2-storey semi-detached factories in Kawasan Perindustrian Mantin Batu 8 were seen to go at RM1.28 million to RM1.36 million, sizing between 3,229sf to 3,488sf. For the smaller 1-storey terraced factories in Kawasan Perusahaan Nilai III, the 1,815sf units went at an average RM240,000 and the bigger 2,779sf units went at an average RM783,000.

An upcoming industrial development to be noted of is the XME Business Park Nilai Impian by Sime Darby Properties. Targeting the light and medium industrial players as their potential occupiers, this industrial park will comprise of 75 industrial factory units as part of Phase 1 – 54 units are semi-detached and the remaining 21 units are detached. With built-up area sizes ranging between 5,692sf and 29,683sf, these units will come with a price tag of RM2.5 million to RM18.5 million. Completion is scheduled to be in December 2022. XME Business Park Nilai Impian will be the first managed industrial park in Negeri Sembilan upon its completion.

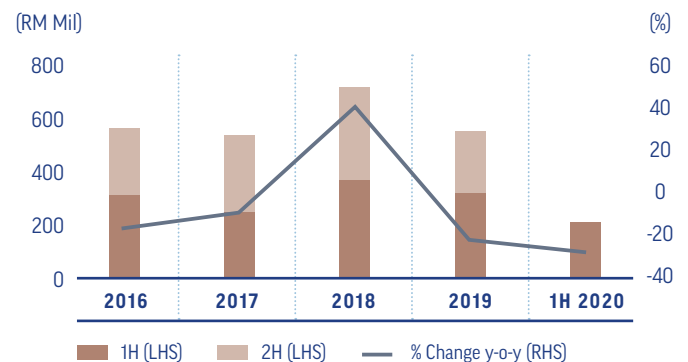
Number of Industrial Property Transactions in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Negeri Sembilan (2016-1H 2020)

(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- Since 2016, the Dickson Bay integrated resort development by Tanco Holdings Bhd had undergone several obstacles and now as at May 2020, have completed 76% of the water-theme Splash Park and remains optimistic despite the pandemic.
- In January 2020, Seremban has been declared as a city and that the Seremban Municipal Council (MPS) and the Nilai Municipal Council (MPN) was merged into the Seremban City Council (MBS).
- As the master developer of Malaysia Vision Valley (MVV) 2.0, Sime Darby Property Bhd had initiated the first industrial project named XME Business Park in Nilai Impian.

Melaka

Johor

SOUTHERN REGION

Melaka River, Melaka

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	198,726 units	↑ 2.4% y-o-y
Transaction Volume	3,733 units	↓ 26.2% y-o-y
Transaction Value	RM967.64 mil.	↓ 28.7% y-o-y

RETAIL

Supply	6.42 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	67.5%	↓ 2.7% y-o-y
Rental	Prime: RM4.00psf – RM36.00psf	

PURPOSE-BUILT OFFICE

Supply	4.42 mil. sf	↑ 2.2% y-o-y
Occupancy Rate	81.4%	↓ 0.2% y-o-y
Rental	Prime: RM1.30psf – RM3.50psf	

SHOP OFFICE

Supply	20,800 units	↑ 1.2% y-o-y
Transaction Volume	207 units	↓ 39.8% y-o-y
Transaction Value	RM117.26 mil.	↓ 47.5% y-o-y

HOTEL

Existing Supply	17,031 rooms	↔ 0.0% y-o-y
Incoming Supply	1,456 rooms	

INDUSTRIAL

Supply	7,120 units	↑ 0.2% y-o-y
Transaction Volume	126 units	↓ 20.3% y-o-y
Transaction Value	RM85.68 mil.	↓ 42.8% y-o-y

Capital: Bandar Melaka
Est. Population: 0.93 million
Area (km²): 1,720

(Source: DOSM)

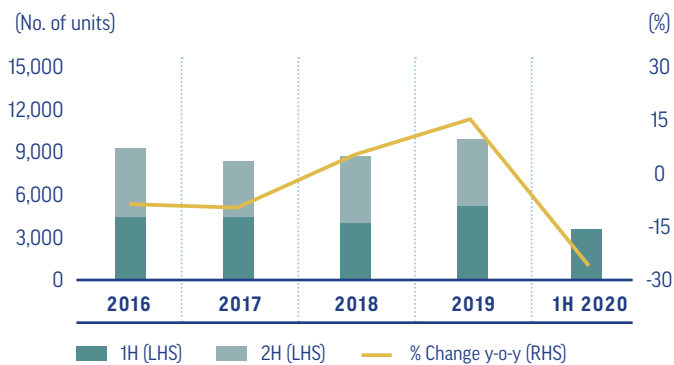


MELAKA

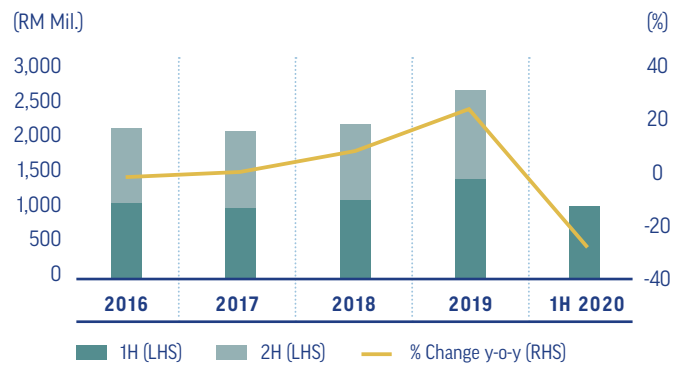
RESIDENTIAL

The recovery pace 2019 had shown was unfortunately pushed back due to the disruptive impact Covid-19 had on the country's economy, leading to nationwide economic halt and strict border controls. Melaka's residential sector was impacted but not as bad as many other states and had only experienced a contraction of 26.2% in volume and 28.7% in value – bringing 1H2020's market performance to 3,733 transacted units worth RM967.64 million. This is not too far off from 1H2017 at 4,149 transacted units.

Number of Residential Property Transactions in Melaka (2016-1H 2020) (Source: JPPH)

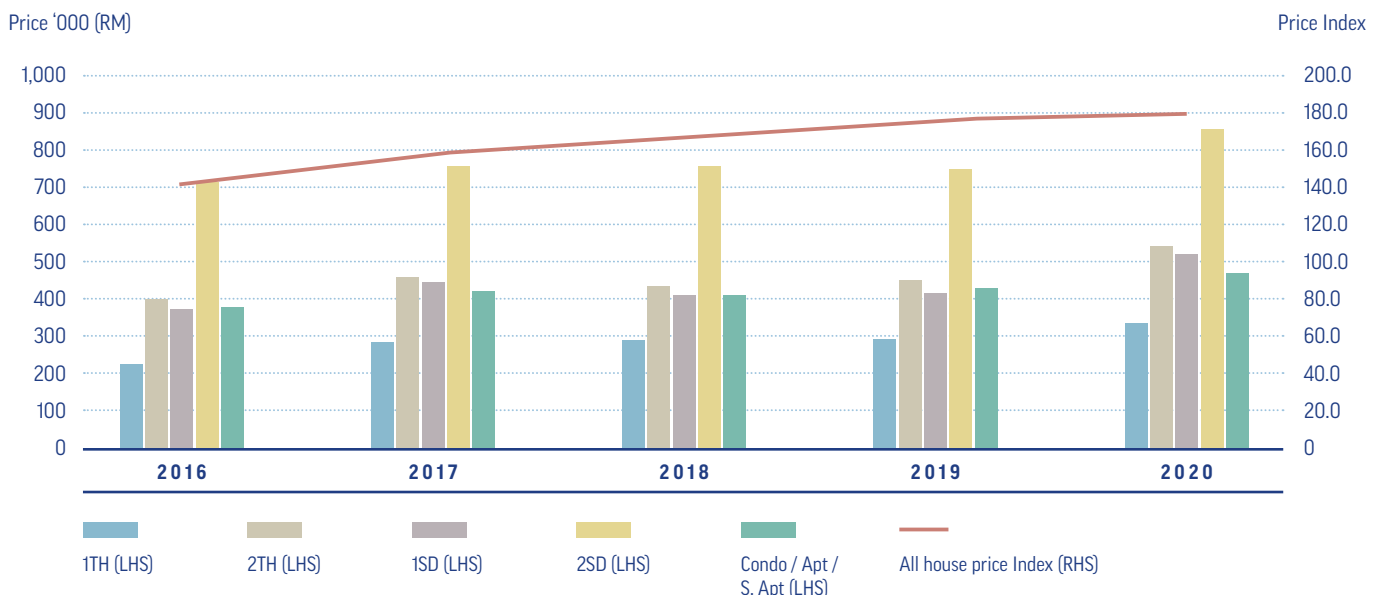


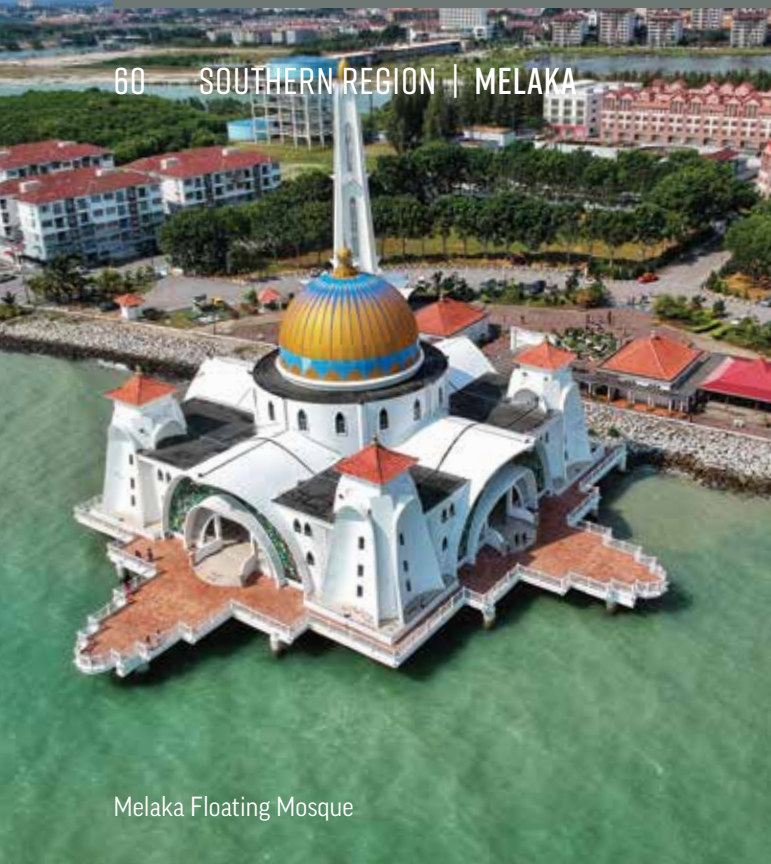
Value of Residential Property Transactions in Melaka (2016-1H 2020) (Source: JPPH)



Of these transactions, 71.8% were priced below RM300,000 and is evident of market demand to strongly be within the affordable range. By type, terraced houses remain the most popular choice with a market contribution of 59% while condominium/apartment units are still at a low 5%. As demand for high-rise units have still some ways to go against landed homes, it bodes concern on the market absorbance of incoming supply which includes 5,728 new condominium/apartment units currently under construction. Additionally, 6,425 serviced apartment units are also in the pipeline for Melaka and further adds burden to the lagging demand.

Melaka Residential Property Price Trend & House Price Index (2016 - 2020) (Source: Rahim & Co Research, IHRM)





Melaka Floating Mosque

2020 saw house prices undergoing some market adjustment that may have been influenced by the pandemic as some property owners are looking to cash out their assets for financial needs. 1-sty terraced houses were transacted at an average RM320,000 for areas of Taman Hilir and Taman Tanjong Minyak Perdana. For semi-detached, 1-storey units in Taman Nam Yang, Taman Alai Perdana and Taman Saujana averaged at RM450,000 while 2-storey units in Taman Pertam Jaya are up at RM1 million.

“MELAKA’S RESIDENTIAL SECTOR WAS IMPACTED BUT AS BAD AS MANY OTHER STATES AND HAD ONLY EXPERIENCED A CONTRACTION OF 26.2% IN VOLUME AND 28.7% IN VALUE”

In observing Melaka’s residential overhang trend, the market had shown points of improvement after reaching the high points of over 1,100 units in 2016 and 2018 with 1H2020 at 899 overhang residential units worth RM365.57 million; this includes serviced apartments. SOHO types have yet to enter the market thus far with no existing and incoming units recorded.

But despite overhang numbers being on the low side in comparison to other states, statistics show that of the completed yet unsold units, a notable 62.5% are priced between RM200,001 to RM400,000 and by type, 38.8% are 2-sty terraced units and 31.4% are high-rise units (condominium/apartment & serviced apartment). This pattern in vacant units left indicates early signs of the market to be prioritizing not just price or type independently, but prioritizing both simultaneously alongside strategic locations. From this, developers are looking to a more complex residential scene that have buyers at an advantage but with tight wallets.

Selected Upcoming Landed Residential Properties in Melaka

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Country Villas Resort	Bemban	2-sty Terraced	183	From RM506,000	2021
Taman Vista Belimbing (Phase 2)	Durian Tunggal	1 & 2-sty Semi-Detached	174	From RM408,000	2021
Taman Bukit Cheng	Cheng	2-sty Terraced	103	From RM370,000	2021
BJB Heights Residences	Bemban	2-sty Bungalow	128	From RM823,000	2021
Taman Warisan	Masjid Tanah	2-sty Terraced	65	From RM364,000	2022
		2-sty Semi-Detached		From RM508,000	2022
Taman Desa Bertam (Phase 3)	Tanjong Minyak	2-sty Semi-Detached	25	From RM568,800	2022
Residensi Pulau Sebang	Alor Gajah	2-sty Terraced	150	From RM200,800	2022
Scientes Durian Tunggal 2 - Jade	Durian Tunggal	2-sty Terraced	234	From RM320,000	2022
Krubong Heights	Krubong	2-sty Terraced	100	From RM459,800	2022
Molek Residence	Ayer Molek	2-sty Terraced	100	From RM436,800	2023

Selected Upcoming High-Rise Residential Properties in Melaka

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
The Quartz Residence	Jalan Tengker	Condominium	310	From RM324,000	2021
Amber Cove @ Impression City	Kota Laksamana	Serviced Apartment	838	From RM390,000	2021
The Dawn @ Impression City	Kota Laksamana	Condo Hotel	648	From RM500,000	2021
Bali Residences	Bandar Melaka	Condominium	811	From RM342,000	2022
Admiral Residences	Kota Laksamana	Condominium	1,440	From RM371,000	2022
Embique Condotel	Bandar Hilir Melaka	Serviced Residence	152	From RM423,000	2023

Selected Upcoming Affordable Housing Properties (RMM) in Melaka

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Taman Seri Jasmine	Tengker	Apartment	74	From RM150,000	2021
Taman Bachang Baru	Bachang	Apartment	56	From RM150,000	2021
Residensi Klebang 2	Klebang	Apartment	800	From RM223,200	2021
Scientex Durian Tunggal (RMM)	Durian Tunggal	2-sty Terraced	346	From RM180,000	2022
Rumah Belia Melaka	Durian Tunggal	2-sty Terraced	176	From RM180,000	2022
Taman Tasek Permai	Sg Rambai	2-sty Terraced	227	From RM215,000	2022
Anjung Gapam	Bemban	1-sty Terraced	180	from RM165,000	2023
Taman Nuri	Durian Tunggal	2-sty "Villament"	508	From RM180,000	2023
RMM Simpang Empat	Alor Gajah	1-sty Terraced	24	From RM180,000	2023

RETAIL

The retail sector of Melaka's property market continues to struggle in holding up demand or occupancy rate of retail mall spaces as observed by a further fall to 67.5% state wide. Though this may be attributed to the increase in supply, albeit a small 2.4%, a significant part can be given to the unprecedented environment Malaysia saw itself in with an almost complete freeze in economic activity for two months and ongoing border restrictions and Covid-19 SOPs.

Of the 6.42 million sf in retail mall spaces, 2.09 million sf are sitting vacant and putting this alongside the 1.80 million sf of incoming space that is already under construction creates a concerning picture of further oversupply in Melaka.

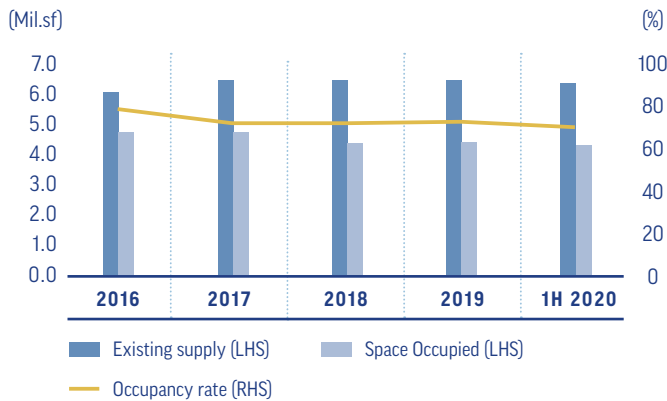
But despite unfavourable sentiments and conditions, Malaysia Tourism City (MTC) by Meridian Bhd is progressing on in its construction with a possible 18-month delay for some components. Launched back in May 2019, MTC is an integrated tourism project in Kuala Linggi and comprises of leisure & entertainment, commercial, retail

and residential components. Broken into three phases, the retail mall component will be included in the latter two phases while Phase 1 includes the Luasempit Weekend Market inspired by Thailand’s iconic Chatuchak Market.

While seeing the presence of large-scale developments in Melaka may give a boost to future investment potentials, views and opinions were expressed on whether Melaka will be capable of absorbing these large developments successfully and simultaneously. Together with MTC are also the Harbour City by Hatten Land, who was recently saved by a new investor from Singapore, and The Sail by Sheng Tai International. All three developments will bring in their own retail mall establishment and with how the occupancy rate has already been on the decline since 2016, the future of Melaka’s retail scene may be challenging if demand does not pick up.

Existing Supply & Occupancy Rate of Retail Spaces in Melaka (2016-1H 2020)

(Source: JPPH)



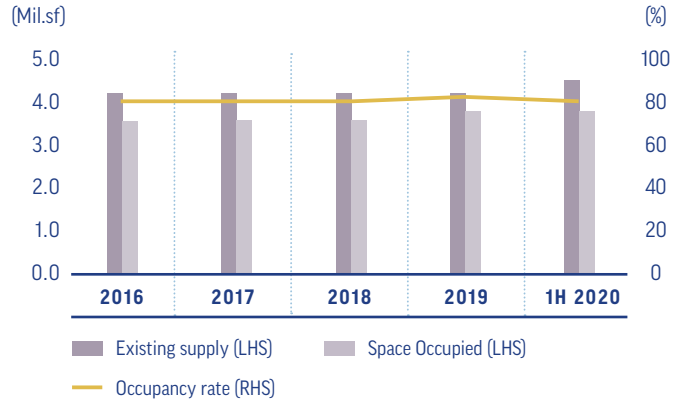
PURPOSE-BUILT OFFICE (PBO)

Melaka’s office scene had remained relatively unchanged with supply standing at 4.42 million sf after an injection of 94,000 sf into the market and occupancy rate keeping at 81.4%. Unlike the retail sector, no new office buildings are recorded so far in the pipeline which sees the state’s office market to have another quiet year in development activities.

Rentals rates for purpose-built office in prime areas of Melaka Town remained stable at RM1.30 to RM3.50 psf pm depending on location and floor level as well as the size of space taken up. Pusat Transformasi Bandar UTC

Existing Supply & Occupancy Rate of Purpose Built Office in Melaka (2016-1H 2020)

(Source: JPPH)



in Jalan Hang Tuah fetched rates of up to RM3.50 while others like Bangunan PKNM MITC Ayer Keroh, Menara Tun Sri Lanang, Bangunan Graha Maju and Bangunan Graha Peladang range between RM1.70 to RM3.00.

SHOP OFFICE

With the unfortunate wave of Covid-19 into the country and across the world, the shop office market in Melaka was pushed several steps back in recovery as transaction activities fell by 39.8% in volume and 47.5% in value after a hopeful, positive boost in 2019. Most of the shop office transactions were seen for Melaka Tengah and 2-storey units remained at the top as the most transacted type.

Ranging from pre-war to 6-storey types, Melaka’s supply is at 20,800 units with 76% in Melaka Tengah and as the most transacted type, 2-storey shop offices also dominate the market at 47%. But demand for pre-war units, especially those along Jalan Hang Jebat (Jonker Street), Jalan Tun Tan Cheng Lock, Jalan Kubu, Jalan Tengkeru and Jalan Tokong, have seen a rise in the past 5 years with transactions ranging between RM700 psf to RM2,500 psf. However, occupancy of the lots had been negatively affected by the pandemic in 2020.

Within the review period from 1H2019, 2 completions were noted of and they are Duyung Business Park by WEBEST Sdn Bhd and Taman Vista Belimbing by NKS Development Sdn Bhd (formerly Rekarang Development Sdn Bhd). Both offer 2-storey units at RM699,000 and RM499,000 respectively.

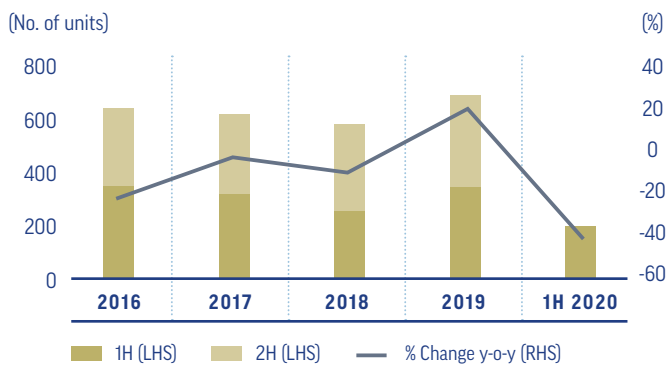
Selected Upcoming Shop Offices in Melaka

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Taman Bertam Impian	Tanjung Minyak	2-sty Shop Office	123	From RM538,000	2022
Gangsa Jaya	Batu Berendam	2-sty Shop Office	34	From RM580,000	2023

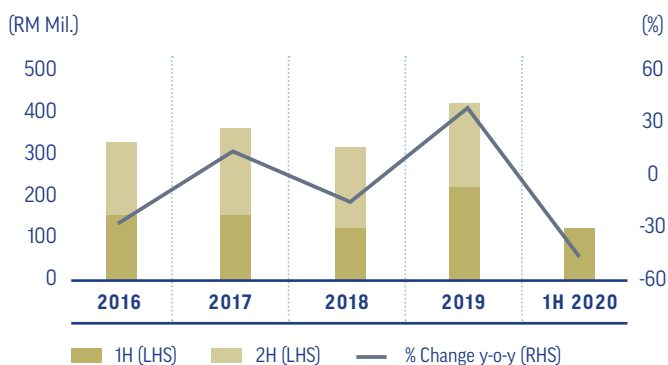
Number of Shop Office Property Transactions in Melaka (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Melaka (2016-1H 2020)

(Source: JPPH)



Though there has been improvement in overhang statistics for Melaka's shop office market to 653 units worth RM287.76 million in 1H2020, the state's position within Malaysia had gone up to second place after Johor (for shop office category). 204 units are priced between RM300,001 to RM500,000. In the pipeline are another 1,686 new units going into the market.

HOTEL

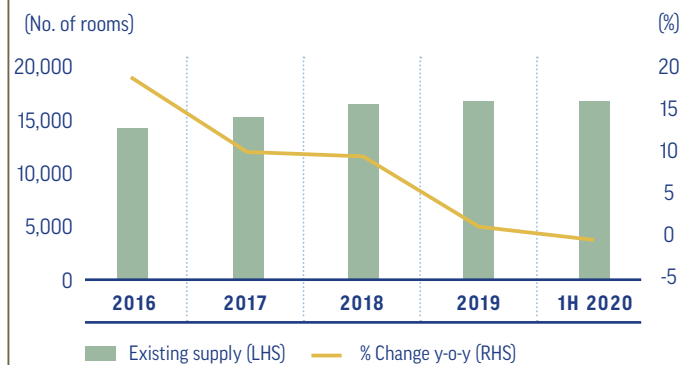
As one of the popular tourist destinations locally and internationally, Melaka's hotel sector was hit hard by the movements restriction and border controls implemented against the Covid-19 pandemic. News headlines of hotel closures began to surface within the second quarter of 2020, not long after MCO was put into place, and several hotels in Melaka were reported to have taken the route of closure due to financial unsustainability.

To name a few: The Emperor Hotel Melaka, Mahkota Hotel Melaka and Ramada Plaza by Wyndham (previously named Renaissance Melaka). At the time of writing, no bookings were available for these three establishments.

Pandemic aside, Melaka will be expecting 1,456 new hotel rooms into the market in the next 3 to 4 years barring any further delays. Amongst the upcoming new hotels is the Sheraton Hotel Melaka and Courtyard by Marriott.

Existing Supply of Hotels in Melaka (2016-1H 2020)

(Source: JPPH)



Selected Upcoming Hotels in Melaka

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	STAR RATINGS	NO OF ROOMS	EXPECTED COMPLETION
Courtyard by Marriot	Jalan Tun Sri Lanang	4	284	2021
The Dawn @ Impression City	Kota Laksamana	N/A	648	2021
Melia Melaka	Bandar Melaka	N/A	250	2021
Cruise-Themed Hotel	Harbour City @ Pulau Melaka	N/A	780	2021
Park Hotel Melaka	Kota Laksamana	4	245	2021
Sheraton Melaka Hotel	Klebang	5	300	2022

INDUSTRIAL

Within the review period, the industrial market of Melaka saw little growth in supply but significant negative impact on transaction activities due to the disruptive Covid-19. Falling by 20.3% in volume and 42.8% in value, the market was pushed further down from its top performance back in 1H2012 from 300 transacted units to 1H2020 at just 126 transacted units.

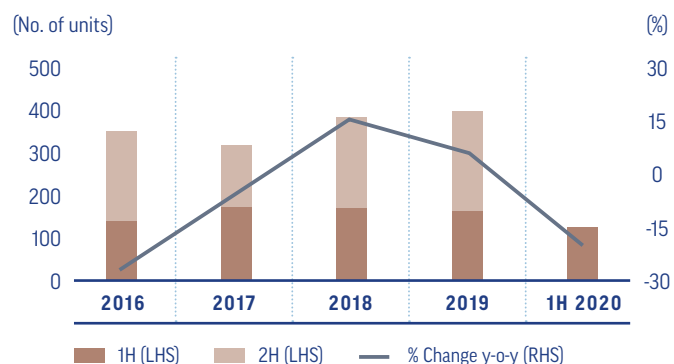
From the industrial transactions, vacant plot remains the most type to be transacted at 64% market share and others being terraced and semi-detached factories/warehouses.

In supply, Melaka's industrial property stock is on par with Sarawak at 7,120 existing units and positioned 5th nationwide. By type, the existing stocks are primarily terraced, semi-detached and detached units at an average 33% to total contribution.

The Melaka State Development Corporation (PKNM) is on the move to further develop and improve the economic and social growth of the state, including the industrial area which is the other main contributor to Melaka's Gross Domestic Product; the other being Services. One of the named initiatives is the industrial expansion of 80 hectares in Jasin which will focus on the development of halal products, electrical, electronics, renewable energy, high technology and smart technology. PKNM was responsible for the development of Melaka Halal Hub in Serkam.

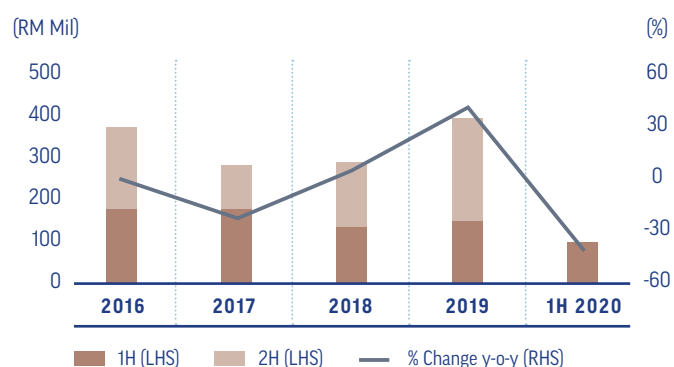
Number of Industrial Property Transactions in Melaka (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Melaka (2016-1H 2020)

(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- ♦ Tanjung Bruas Port will be commercially developed at a cost of RM160 million with the aim to bring Melaka's port up to par with Tanjung Pelepas Port and Port Klang when completed.
- ♦ Following a short confusion with the sudden termination of the Melaka Gateway project by KAJ Development as per the notice given by Melaka state government on reasons of expired agreement, the RM43 billion project is back online with some technical issues to be fixed.
- ♦ Recently halted in its development due to a legal dispute, the Harbour City development by Hatten Land is expected to resume with the entry of a new stakeholder, Singapore-based Tayrona Capital Pte Ltd.
- ♦ Yong Tai Bhd had received approval from the state government to proceed with the development of an international cruise terminal in Impression City Melaka and plans to pull in Singapore Cruise Centre Pte Ltd as the terminal management – both having entered a memorandum of understanding (MoU).
- ♦ A new economic corridor is in the works to be the next landmark for Melaka and a game changer for the state's economy. Called the Melaka Waterfront Economic Zone (M-WEZ), it will be built on a reclamation area stretching from Umbai to Tanjung Bruas.
- ♦ Melaka state government has identified a new site for the High-Speed Rail (HSR) development. Previously planned for Ayer Keroh, it will now be located near Green City and between Mukim Durian Tunggal and Mukim Ayer Panas.



A-Famosa Fort

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	848,929 units	↑ 3.5% y-o-y
Transaction Volume	10,193 units	↓ 27.4% y-o-y
Transaction Value	RM3,367.94 mil.	↓ 31.3% y-o-y

RETAIL

Supply	26.39 mil. sf	↑ 6.7% y-o-y
Occupancy Rate	78.1%	↑ 0.4% y-o-y
Rental	Prime: RM20.00psf – RM40.00psf	

PURPOSE-BUILT OFFICE

Supply	13.94 mil. sf	↑ 6.7% y-o-y
Occupancy Rate	73.9%	↓ 2.0% y-o-y
Rental	Prime: RM2.00psf – RM6.00psf	

SHOP OFFICE

Supply	83,219 units	↑ 2.5% y-o-y
Transaction Volume	732 units	↓ 35.3% y-o-y
Transaction Value	RM627.65 mil.	↓ 32.5% y-o-y

HOTEL

Existing Supply	30,798 rooms	↑ 2.3% y-o-y
Incoming Supply	4,288 rooms	

INDUSTRIAL

Supply	17,991 units	↑ 4.5% y-o-y
Transaction Volume	252 units	↓ 52.2% y-o-y
Transaction Value	RM698.87 mil.	↓ 32.4% y-o-y

Capital: Johor Bahru
Est. Population: 3.76 million
Area (km²): 19,166

(Source: DOSM)



JOHOR
DARUL TAKZIM

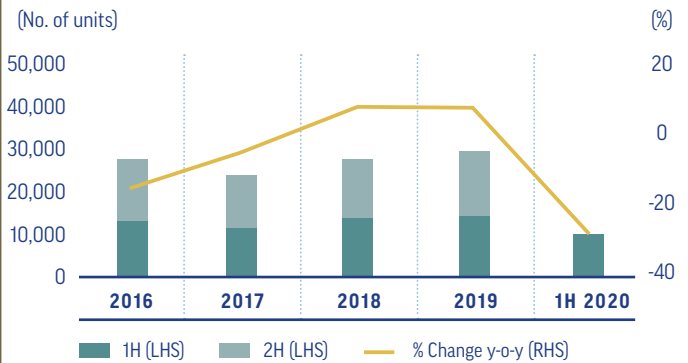
RESIDENTIAL

As at 1H2020, Johor’s residential stock comes up to 848,929 properties but this does not include serviced apartment and SOHO units due to both types being categorized as commercial units. With these two combined, the total dwelling stock for residential occupation is at 932,793 units. This puts Johor in second place after Selangor in dwelling stock; the latter at approximately 1.69 million dwelling units.

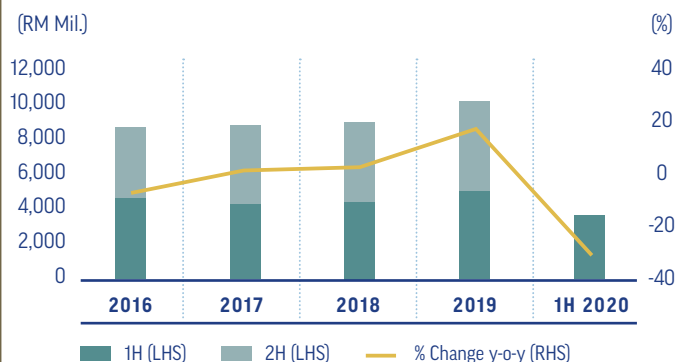
On the new stock, completion in 1H2020 for serviced apartments show a significant drop of 97% from 1H2019 as compared to units under the residential category at just 20% contraction. A large part of this could attributed to the pandemic causing delays in the final phases of construction and finishing, particularly when all economic activities were completely halted barring necessary sectors or services during the MCO period but it may also be a response to Johor’s severe overhang problem that is primarily driven by completed yet unsold serviced apartment units.

While Johor has held the reins in being the top contributor to overhang stock nationwide, the degree of increase has slowed down over the years. Going from the highest 111% surge back in 2016 to now rising by 23% in 1H2020.

Number of Residential Property Transactions in Johor (2016-1H 2020) (Source: JPPH)

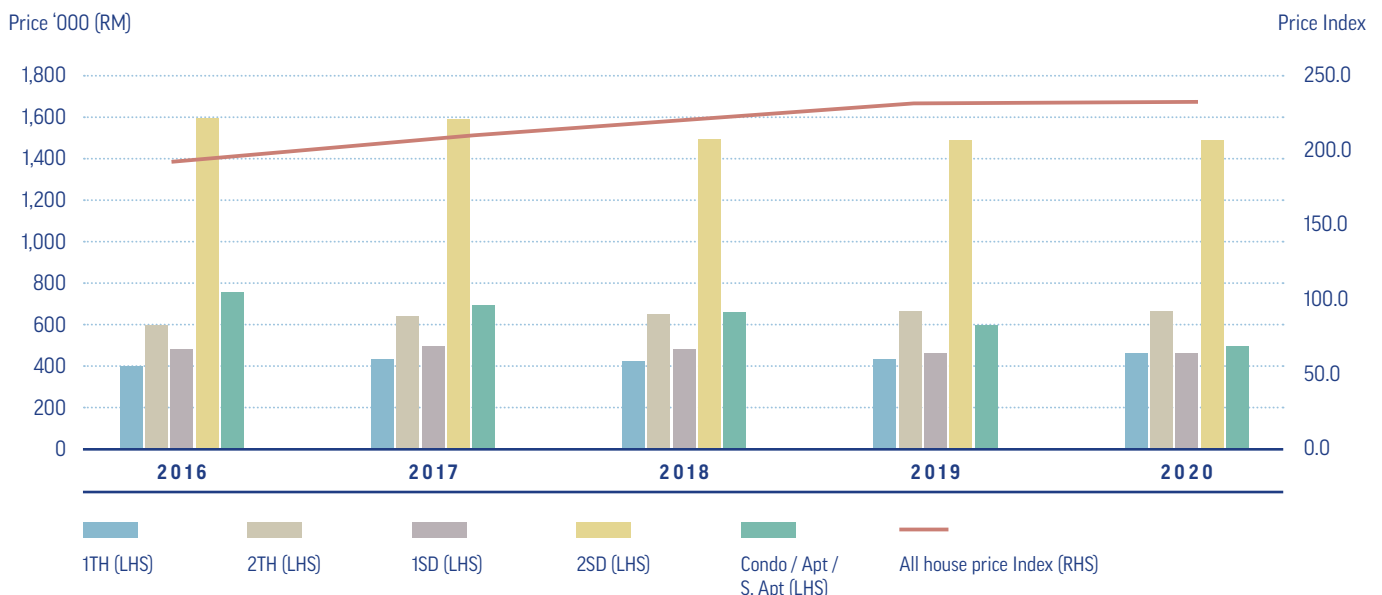


Value of Residential Property Transactions in Johor (2016-1H 2020) (Source: JPPH)



Johor Bahru Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Landed Residential Properties in Johor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Amber Hills @ Bandar Baru Kangkar Pulai	Pulai	1-sty Cluster	232	From RM408,000	2021
Danga Sutera @ Sutera Utama	Skudai	2-sty Semi-Detached	18	From RM1.61 mil	2022
Mutiara Bestari (Phase 3)	Skudai	2-sty Cluster	200	From RM954,000	2022
Nasa City	Kempas	2-sty Terraced	84	From RM664,000	2022
Setia Eco Gardens	Gelang Patah	2-sty Terraced	300	From RM658,000	2022
Adinia 2 @ Bandar Baru Kangkar Pulai	Pulai	2-sty Terraced	138	From RM443,000	2022
Senadi Hills	Iskandar Puteri	2-sty Terraced	112	From RM623,000	2022
Seri Austin @ Mount Austin	Bandar Dato Onn	3-sty Bungalow	40	From RM2.0 mil	2022
Aspira Parkhomes	Gerbang Nusajaya	2-sty Terraced	162	From RM698,000	2022

Selected Upcoming High-Rise Residential Properties in Johor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
SKS Habitat	Larkin	Serviced Apartment	649	From RM374,400	2021
D'Lagoon Luxury Apartment	Tebrau	Condominium	262	From RM448,888	2021
Grid Residence @ Sunway Iskandar	Iskandar Puteri	Serviced Apartment	501	From RM575,000	2021
Sovereign Bay	Permas Jaya	Condominium	948	From RM420,000	2021
Residensi Taman Pelangi Indah	Ulu Tiram	Serviced Apartment	720	From RM330,000	2021
Residensi Larkin Indah	Plentong	Apartment	1,174	From RM339,000	2021
Paradigm Residence	Johor Bahru	Serviced Apartment	263	From RM353,000	2022
Veranda Residences	Johor Bahru	Condominium	600	From RM399,000	2022
Sky Trees	Bukit Indah	Serviced Apartment	484	From RM388,000	2023
Space Residency	Johor Bahru	Serviced Apartment	995	From RM612,750	2023
Amber Heights @ Bandar Seri Alam	Masai	Condominium	240	From RM245,000	2023

As the supply scene is showing response to the oversupply problem, the demand side of the market did hold up considering the market slump it had been experiencing already. With contractions of 27.4% in volume and 31.3% in value, there is a potential of the market rebounding back to pre-Covid-19 levels if things were to resume back its recovery pace.

In prices, 82% of the residential transactions are below RM500,000 which somewhat explains the critical overhang situation who in turn has 87% of its unsold stock priced above RM500,000. Other reasons would be mismatch in product offering and undesirable locations as seen by the 2,900 overhang residential properties priced below RM500,000.

On a whole, Johor's residential market is still much in favour of landed homes as the demand is met by supply whilst the high-rise segment still has some ways to go to match-up supply to demand. Prices of the affordable range, between RM200,000 to RM300,000 generally, is still sought after and even more so with the pandemic having shaken one's financial security. The Home Ownership Campaign (HOC) was brought back to run from 1st June 2020 to 31st May 2021 by the government to aid first time homebuyers in attaining their ideal home, as seen during HOC 2019. According to the Rehda Property Industry Survey for 1H2019, 2,026 units were sold under the HOC scheme for Johor and this includes serviced apartment units.

Generally, residential property prices remained relatively stable for 2020. 1-storey terraced houses in areas of Taman Bukit Indah, Taman Molek and Taman Pelangi were transacted between RM400,000 to RM490,000. Within the same schemes, 2-storey terraced houses averaged at RM641,000. Condominium developments such as Kondominium Petrie, Aloha Tower and The Embassy Suite saw its prices at about RM424,000.

RETAIL

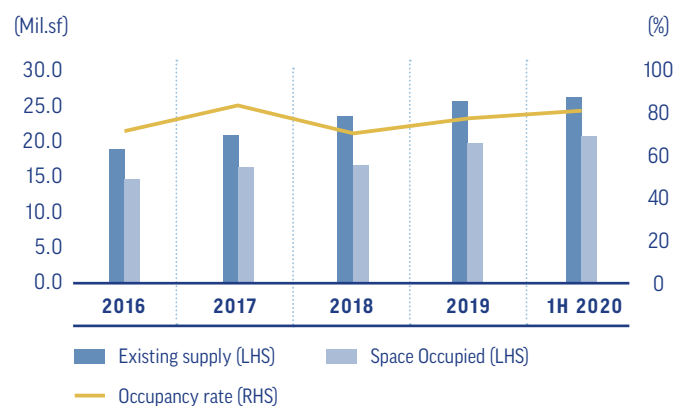
As at 1H 2020, there were 26.4 million sf (156 complexes) of retail shopping space in Johor with 77.9% concentrated within the district of Johor Bahru. This is after an increase of 6.7% from the previous period.

Despite Covid-19 wreaking havoc to visitor traffic and daily operating hours, Johor's occupancy rate has thus far held up well and maintained with a slight improvement of 0.4% y-o-y. But Johor's retail scene may start a downtrend should the tourism not improve especially from Singapore who is Johor's largest regional source of tourists. While most malls have the capacity to endure through the quiet period for some time, the same cannot be said for the retail tenants who are suffering from record-low sales. As Johor has seen a rather large injection of new malls in the past 2 years or so, it remains to be seen if these new spaces will live up to its expected performance amidst a yet-to-end pandemic period.

“JOHOR’S OCCUPANCY RATE HAS THUS FAR HELD UP WELL AND MAINTAINED WITH A SLIGHT IMPROVEMENT OF 0.4% Y-O-Y”

Existing Supply & Occupancy Rate of Retail Spaces in Johor (2016-1H 2020)

(Source: JPPH)



In the pipeline, some 655,000 sf are under construction and located in Johor Bahru which puts further pressure on Johor's future outlook. Until a vaccine has been found and widely administrated, Johor's retail scene will continue to see a depressive atmosphere that was once filled with local and international tourists during peak holiday seasons.

Eco World is bringing 'the high street experience' to Iskandar Malaysia with the development of Eco Galleria mall. With inspiration taken from the high streets of Britain, Eco Galleria will go beyond the modern mall design and into a high street setting that offers a premier shopping and leisure experience. In January 2020, Eco Botanic Sdn Bhd had signed a MoU with the University of Southampton Malaysia (UoSMB) to have a larger campus be built in Eco Galleria. Completion of both the mall and university is scheduled to be in 2021.

Rentals remained relatively with most of the pre-existing malls in Johor Bahru commanding rents of less than RM20.00 psf pm for their prime spaces. But some have gone above and reached up to RM40.00 psf pm for their prime spots depending on the size of the lots. These include Mid Valley Southkey, KSL City and Plaza Angsana.

PURPOSE-BUILT OFFICE (PBO)

For the first 6 months of 2020, no new injections were seen for the office market of Johor and instead was recorded in the second half of 2019. As at 1H2020, Johor as a whole has a total PBO supply space of 13.94 million sf at an occupancy rate of 73.9% – a slight drop of 2% y-o-y.

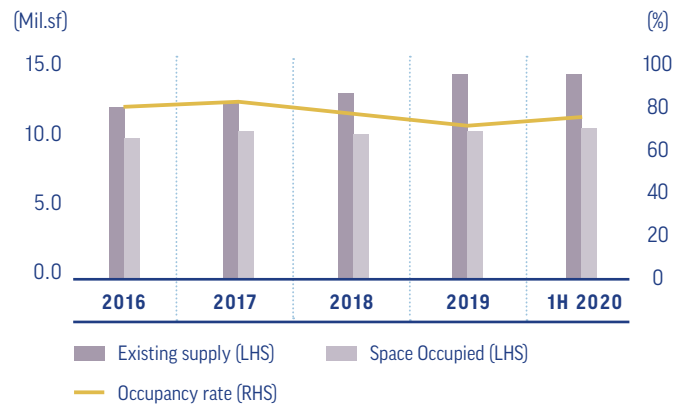
Since going below the 80% in 2018, the office market has yet to recover back up and had hovered in the 70% bracket so far. At 73.9% occupied, this leaves 3.63 million sf of vacant space currently in the market. Adding to this is another 2.63 million sf in the pipeline and all upcoming office buildings are located in Johor Bahru.

As there are more private office buildings in Johor than government buildings, the millions of office spaces waiting to be filled may be an even bigger challenge as due to Covid-19, alternative corporate practices such as co-working and work-from-home have taken centre stage as the way to go about an environment that requires physical distancing. This applies not just to Malaysians who had gone through several phases of nationwide movement restrictions and control, but also foreign businesses who have been impeded by the border restrictions and quarantine requirements.

Selected office buildings including Menara KOMTAR, Menara Ansar and the Medini office buildings range between RM2.00 to RM6.00 psf pm. The higher end of above RM4.00 psf pm are Medini 6,7 and 9 of Iskandar Puteri, the KWSP Building, Menara KOMTAR; the last having reached up to RM6.50 psf pm for the lower levels.

Existing Supply & Occupancy Rate of Purpose Built Office in Johor (2016-1H 2020)

(Source: JPPH)



SHOP OFFICE

Existing stock of shop offices as at 1H 2020 was 83,219 units following a small increase of 2.5% y-o-y. Of the types available, 2 – 2½ storey shop offices dominate the market at 54% and coming behind are 1½ storey and 3½ storey types. On the horizon, 9,328 units in various construction stages are underway as part of the future supply.

Similar to many states, Covid-19 brought in its own negative impact to the shop office market with transactions contracting by 35.3% in volume and 32.5% in value y-o-y. On a 5-year trend, Johor's transaction activity has remained relatively stable in movement over the years and gives better grounding for post-pandemic improvement once the market is back at work. Of the transactions 2-storey and 3-storey types were the top two in transaction volume

Selected Upcoming Purpose-Built Office in Johor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	EXPECTED COMPLETION
2 Office Towers @ Mid Valley Southkey	Johor Bahru	2021
Coronation Square @ Ibrahim International Business District (IIBD)	Johor Bahru	2022



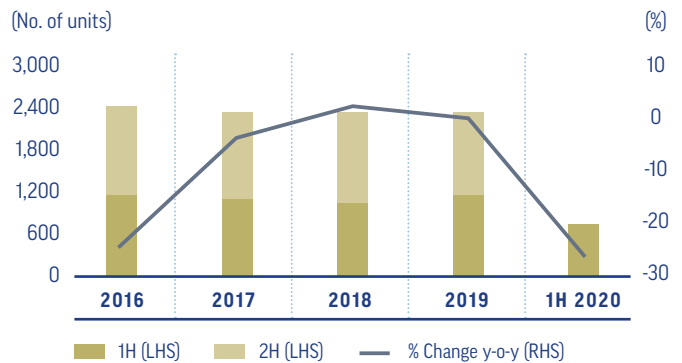
Johor Bahru City

as per the stock capacity in the market. Most of these units were transacted at above RM500,000.

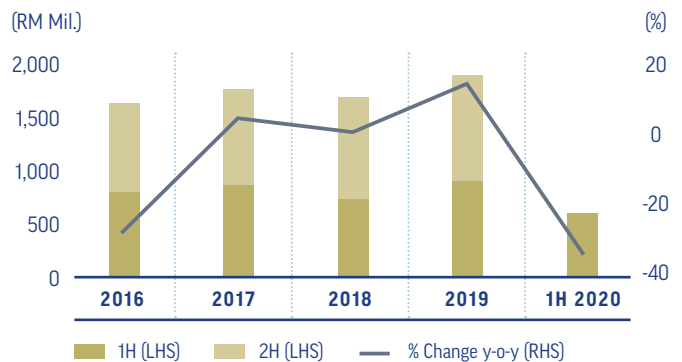
On the locality of Johor Bahru, 2-storey shop offices that were transacted between RM1.12 million to RM1.8 million were seen for areas of Horizon Hill and Taman Bukit Indah. On a lower price tag, areas such as Taman Daya, Taman Kota Masai and Taman Nusa Bestari 2 went between RM600,000 to RM950,000.

While the number may not be as large as the residential segment, overhang shop office units have continued to grow from 1H2019, now coming to 1,421 shop office units worth RM1.29 billion. Ranging from 1-storey to 4-storey types, 81% of the overhang stock are price above RM600,000 and going beyond RM1.0 million.

Number of Shop Office Property Transactions in Johor (2016-1H 2020)
(Source: JPPH)



Value of Shop Office Property Transactions in Johor (2016-1H 2020)
(Source: JPPH)



Selected Upcoming Shop Offices in Johor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Neuvo Centro	Bandar Uda Utama	2-sty Shop Office	16	From RM1.2 mil	2021
Jacaranda @ Senai Airport City	Senai	2&3-sty Shop Office	66	From RM863,040	2021
Aspira Square	Gerbang Nusajaya	2&3-sty Shop Office	59	From RM878,000	2022
Senadi Square	Iskandar Puteri	2-sty Shop Office	20	From RM856,800	2022
Impian Link 38 @ Taman Skudai Impian	Skudai	2-sty Shop Office	38	From RM838,000	2022
Emerald Crest Austin	Mount Austin	3-sty Shop Office	161	From RM1.6 mil	2023
Business Boulevard Central Park	Tampoi	3&4-sty Shop Office	68	From RM1.7 mil	2023

HOTEL

Within the review period, Johor's hotel sector saw the entrance of 2 new hotels into the market despite tourism's toughest year to-date. With an injection of 395 new hotel rooms into the market, Johor's hotel sector is, as at 1H2020, at a 30,798-room capacity and makes up to 481 hotel and resort establishments of various ratings.

Still in the pipeline thus far is a sizeable 4,288 upcoming hotel rooms currently under construction but delays is expected as MCO had halted construction activities for a few months long and progress challenged with SOPs put in place.

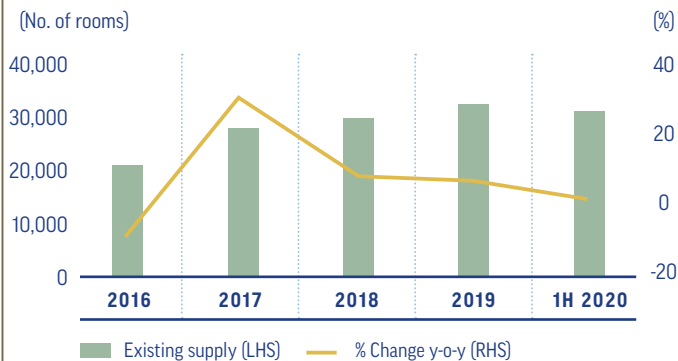
One of the newly opened hotels in Johor for 2020 is the Holiday Inn Johor Bahru City Centre which marks InterContinental Hotels Group's (IHG) first foray into Johor's market. Offering a total of 335 guestrooms, the newly built hotel is part of the Komtar JBCC development. Following on the heels of IHG's first Johor footprint is the upcoming Holiday Inn Express & Suites Johor Bahru. Through an agreement with OSK Holdings Bhd, the Swiss Inn Johor Bahru will be converted into the new hotel starting in 2021 with an offering of 203 guestrooms & suites.

Another pre-existing hotel undergoing conversion is the Amansari Residence in Desaru. SKS Group has signed an agreement with Marriott International Inc. to bring in the Four Points by Sheraton into Desaru with the opening slated in 2021.

On a less fortunate note, hotels in Johor did not escape the threat of closure as tourist traffic had ceased almost completely barring certain period when movement control

Existing Supply of Hotels in Johor (2016-1H 2020)

(Source: JPPH)



was temporarily lifted before being reinforced as cases re-surfaced. One such closure is the 4-star Puteri Pacific Hotel in Johor Bahru who had closed their doors for good as of 30th August 2020 after operating for 29 years.

INDUSTRIAL

Despite Johor taking a rather hard hit from Covid-19 on its industrial property transactions with a contraction of 52.2% in volume and 32.4% in value, opinions are high on the industrial sector to rebound back once things have resumed back to normal as industrial demands remain resilient.

In the case of the glove and face mask manufacturing, both saw a boom in response to Covid-19 as both items are highly sought after by the medical field and everyday individuals. Johor's market had been on an upward trend from 2016 and there is potential for the market to rebound back on track on 2021 onwards should the same dynamic resume post-pandemic.

Selected Upcoming Hotels in Johor

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	STAR RATINGS	NO OF ROOMS	EXPECTED COMPLETION
Pan Pacific-Serviced Suites	Iskandar Puteri	5	205	2021
Ozo Medini	Medini Iskandar	N/A	198	2021
Hyatt Place Johor Bahru	Johor Bahru	5	200	2022
Citadines Medini Iskandar Puteri	Iskandar Puteri	N/A	214	2022

In 2020, several industrial property transactions were noted of in Johor Bahru. For 1½-storey factory/warehouse units in Taman Kota Puteri and Taman Perindustrian Nusa Cemerlang, prices ranged between RM1,300 to RM2,200 psf at built-ups of 900 sf to 1,523 sf. Similar but bigger units of above 3,000 sf in Taman Industri Jaya and Taman Ungku Tun Aminah were transacted between RM360 psf to RM419 psf.

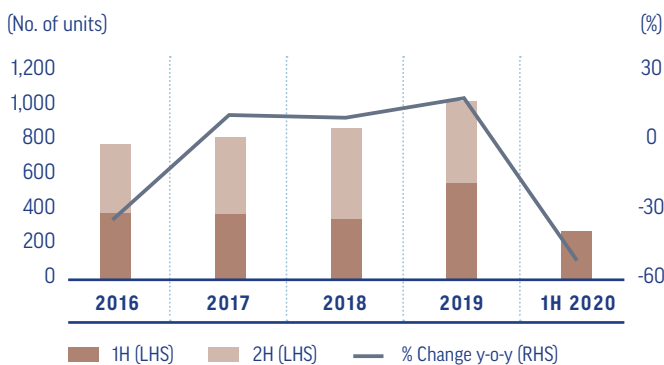
Due to the closure or heavily monitored international borders, the investment received by Johor between January to September 2020 has fallen down by half from 2019. Dropping to RM5.71 billion from the manufacturing and industrial sector, RM3.39 billion are foreign investments and the remaining RM2.32 billion are domestic investments.

AME Elite Consortium Bhd is well at work in expanding its tenancy and foreign presence in the industrial parks under AME's belt in Johor. Jstar Motion Sdn Bhd, a subsidiary of China-based Zhejiang Jiechang Liner Motion Technology Co Ltd, will be seeing the build of its fourth manufacturing facility in i-Park@Indahpura. The first two plants were completed in 1H2020 while the third and fourth scheduled to be in 2021.

Another expansion in AME's industrial park is the second plant by solar tracking systems manufacturer Shengda New Energy Sdn Bhd in i-Park@Senai Airport City. Shengda's first plant was completed back in December 2019 and the next one will be in June 2021.

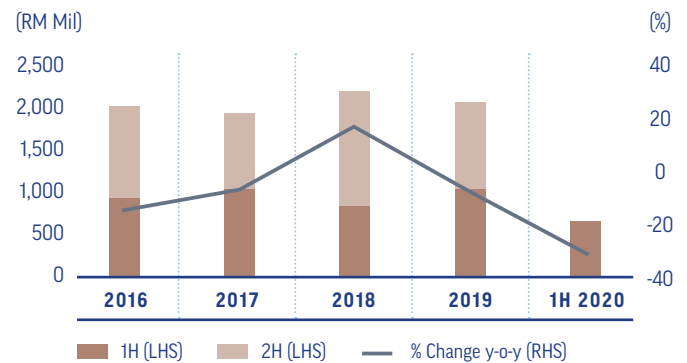
Number of Industrial Property Transactions in Johor (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Johor (2016-1H 2020)

(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- ♦ VS Industry Bhd (VSIB) is acquiring six tracts of land with industrial buildings for RM98.77 million from Ipark Development Sdn Bhd in Johor Bahru to increase future production capacity and to capture opportunities amidst the US-China trade tension.
- ♦ The Rapid Transit System (RTS) Link project between Johor and Singapore has commenced on 22nd November 2020 with the groundbreaking ceremony on Bukit Chagar Station site and will extend over to Woodlands North Station in Singapore. The project is expected to go live at the end of 2026.
- ♦ Sanrio Hello Kitty Town in Puteri Harbour theme park has closed for good on 1st January 2020 since its opening back in 2012.
- ♦ Linbaq Holding will be collaborating with Taiwan Carton King to develop the very first paper-themed park in Southeast Asia at a total investment of RM15 million.
- ♦ Ireka Corporation Bhd has been contracted for the extension works of the Regency Specialist Hospital in Masai - involving the construction of a 10-storey block.

Kelantan

Terengganu

Pahang

EAST COAST REGION

Terengganu Drawbridge, Terengganu

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	83,839 units	↑ 3.5% y-o-y
Transaction Volume	2,241 units	↓ 22.9% y-o-y
Transaction Value	RM349.03 mil.	↓ 11.7% y-o-y

RETAIL

Supply	3.68 mil. sf	↑ 0.2% y-o-y
Occupancy Rate	91.4%	↔ 0.0% y-o-y
Rental	Prime: RM7.00psf – RM24.50psf	

PURPOSE-BUILT OFFICE

Supply	4.21 mil. sf	↓ 0.8% y-o-y
Occupancy Rate	94.8%	↓ 2.5% y-o-y
Rental	Prime: RM1.50psf – RM2.70psf	

SHOP OFFICE

Supply	13,276 units	↑ 3.7% y-o-y
Transaction Volume	64 units	↓ 19.0% y-o-y
Transaction Value	RM36.88 mil.	↓ 24.6% y-o-y

HOTEL

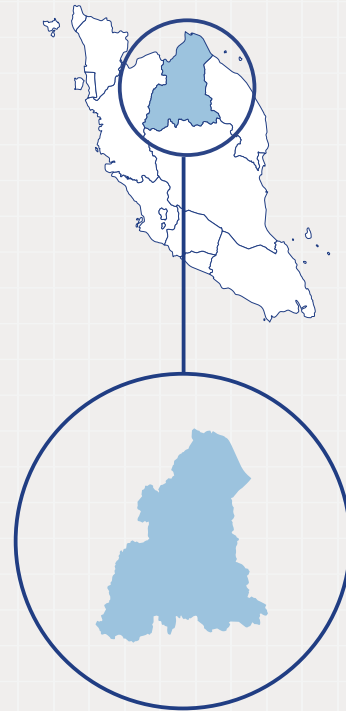
Existing Supply	4,360 rooms	↔ 0.0% y-o-y
Incoming Supply	144 rooms	

INDUSTRIAL

Supply	606 units	↑ 0.2% y-o-y
Transaction Volume	3 units	↓ 89.3% y-o-y
Transaction Value	RM15.32 mil.	↓ 92.9% y-o-y

Capital: Kota Bharu
Est. Population: 1.89 million
Area (km²): 15,040

(Source: DOSM)



KELANTAN
DARUL NAIM

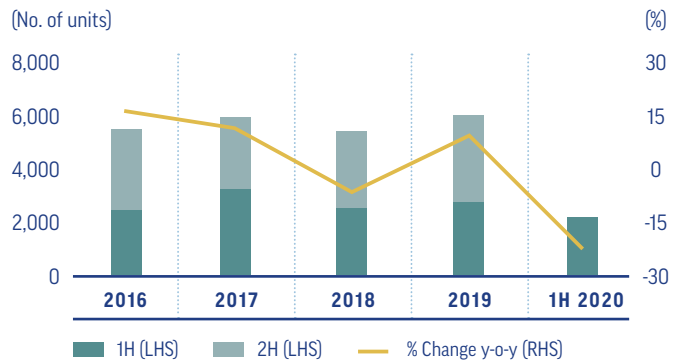
RESIDENTIAL

Over the past 5 years, Kelantan’s residential market has shown a mix in transaction movement with the latest as at 1H2020 registering a contraction of 22.9% in volume and 11.7% in value. Though Covid-19 may have had its influence in the drop, in terms of absolute numbers, they are not as profound as the major states on the west coast.

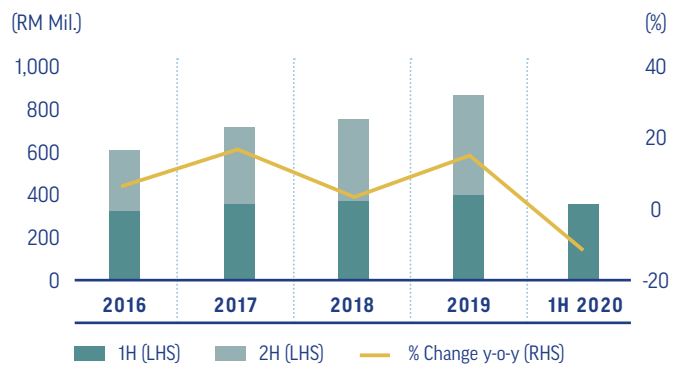
The pattern in price per transaction for the market is primarily below RM300,000 at 88.5% but more specifically, close to half of the transactions were of properties priced RM100,000 and below. This is because the Kelantan market is still in favour of purchasing vacant plots as opposed to ready-made houses as evidenced by the 58% transacted vacant plots out of the 2,241 residential transactions in 1H2020.

Condominium/Apartment units have yet to gain traction in the local buyer’s interest with a less than 1% transaction share. Overhang statistics further supports this by revealing the 278 condominium/apartment units out of total 415 overhang residential properties remain unsold beyond 9 months after launch despite being within the RM100,001 to RM200,000 price tag.

Number of Residential Property Transactions in Kelantan (2016-1H 2020) (Source: JPPH)

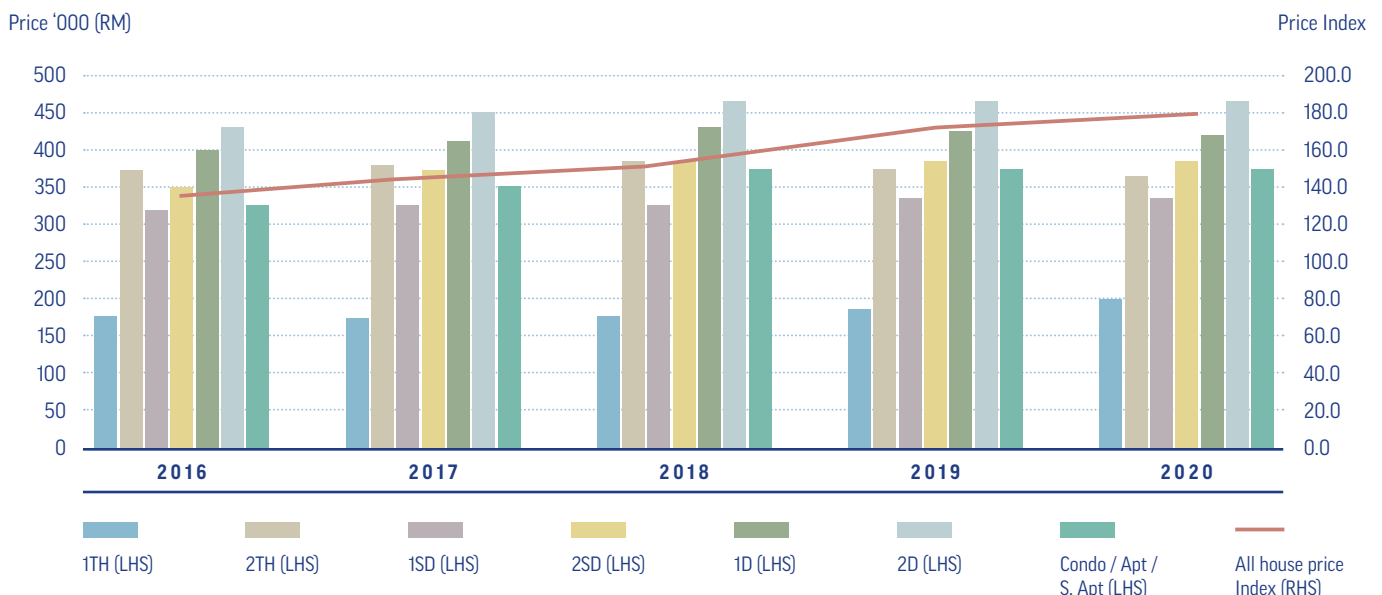


Value of Residential Property Transactions in Kelantan (2016-1H 2020) (Source: JPPH)



Kota Bharu Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Kelantan

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Taman Kota Jembal	Kota Bharu	2-sty Terraced	23	From RM350,000	2021
Taman Kota Jembal (Phase 4)	Kota Bharu	1-sty Terraced	51	From RM258,000	2021
Taman Tg Ridhwan	Kota Bharu	1-sty Semi-Detached	16	From RM270,000	2021
PPAM Sireh Residence	Kota Bharu	Apartment	1,500	From RM274,600	2021
Semi-D @ Kg Karang, Binjai	Kubang Kerian	1-sty Semi-Detached	8	From RM320,000	2021
19 Residensi	Kota Bharu	Serviced Apartment	182	From RM298,000	2022
Taman Warisan Repek	Bachok	2-sty Terraced	14	From RM199,000	2022
		1-sty Semi-Detached	4	From RM310,000	
		1-sty Bungalow	10	From RM365,000	
Taman Sri Hawa 4	Machang	2-Sty Terraced	9	From RM250,000	2022
Taman Baiduri	Machang	1-sty Terraced	63	From RM218,000	2022

Should demand for high-rise products not pick up in time with new supply entering the market, the unsold situation will likely worsen over time. Developers will have to get creative in persuading buyers who have been favouring vacant plots and landed homes thus far.

For the year 2020, house prices are holding steady with minimal changes. 1-sty terraced houses in areas of Tanjong Chat and Beting range between RM200,000 to RM250,000 whereas 2-sty terraced houses in Taman Kurnia Jaya and Kampung Limbat range between RM350,000 to RM450,000.

RETAIL

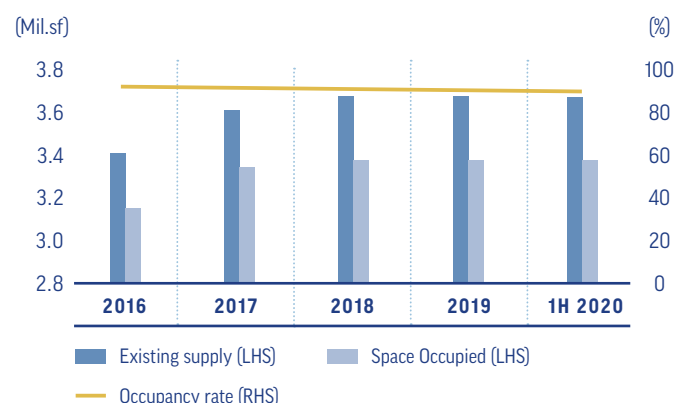
Holding strong against the pandemic's disruptive impact, Kelantan's retail mall performance in occupancy rate has maintained at 91.4% of the total 3.68 million sf. This high absorbance by the market has been maintained in the past 5 years, signalling a strong, steady market despite large entrance of new spaces back in 2017 and 2018. From that occupancy rate, about 316,000sf remains unoccupied across the state.

Kota Bharu welcomed a new retail mall in the market for the year named Platinum Wholesale City Mall and soon in 2021, 2 more retail malls are expected reach completion. They are Al-Waqf Garden Mall and Mydin Mall Tunjong, both in Bandar Baru Tunjong.

With this injection of new retail spaces, Kelantan's occupancy performance will be tested on its resilience against a much bigger addition of new supply. While the market may have held up against Covid-19 for the first six months of 2020, it is yet to be seen if future demand will be able to keep up in the next year or two as things resettle and new norms are established.

Existing Supply & Occupancy Rate of Retail Spaces in Kelantan (2016-1H 2020)

(Source: JPPH)



“WHILE THE MARKET MAY HAVE HELD UP AGAINST COVID-19 FOR THE FIRST SIX MONTHS OF 2020, IT IS YET TO BE SEEN IF FUTURE DEMAND WILL BE ABLE TO KEEP UP IN THE NEXT YEAR OR TWO AS THINGS RESETTLE AND NEW NORMS ARE ESTABLISHED”

Rentals of ground floor spaces in Kota Bharu’s prime shopping malls range between RM7.00 to RM24.50 psf pm depending on the location and branding for some. The top rates are commanded by KB Mall and Aeon Mall. Middle to lower range are the likes of TESCO and Kota Bharu Trade Centre.

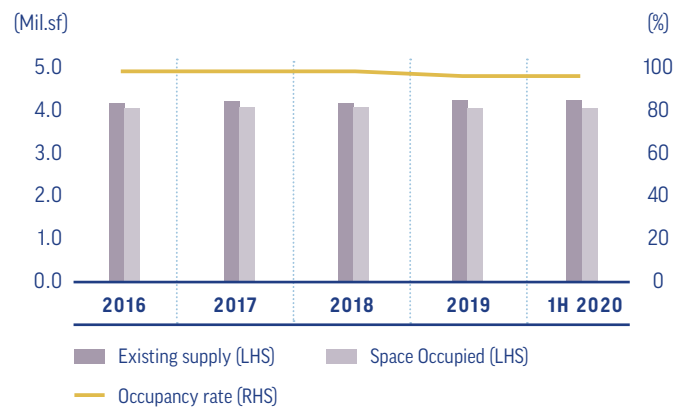
PURPOSE-BUILT OFFICE (PBO)

Kelantan’s purpose-built office (PBO) market has held up within the review period albeit a small decrease in occupancy rate by 2.5% but ultimately keeping above the 90% mark. Total office space supply is at 4.21 million sf with 70.3% located in Kota Bharu.

Between public and private office buildings, the state has a relatively equal distribution of both with government-owned spaces pulling ahead at 55.7% of supply share. This would contribute to the overall high occupancy rate as government buildings are more often fully occupied than not and maintain a steady occupancy performance, unlike other states like Kuala Lumpur, Selangor and Pulau Pinang where private office buildings far outweigh government buildings and more prone to market influence in its tenancy. No upcoming office spaces were recorded in the pipeline.

Rentals of office spaces in well-positioned PBO buildings are able to command at RM2.00 psf pm and above. Such offices are Menara Perbadanan, Kelantan Trade Centre (KTC) and Bangunan KWSP. Others going a lower RM1.00 to RM1.60 psf pm are Wisma Ilmu, Bangunan Sapura and Menara TH.

Existing Supply & Occupancy Rate of Purpose Built Office in Kelantan (2016-1H 2020)
(Source: JPPH)



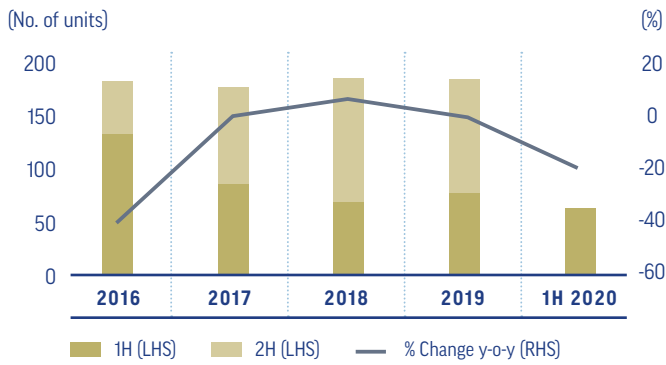
SHOP OFFICE

As at 1H2020, the shop office market of Kelantan was not spared by the pandemic and a contraction of 19.0% in volume and 24.6% in value was recorded – pulling market activities back to 64 units worth RM36.88 million. Observation of previous years has shown the second half of the year to pull through with higher transacted numbers and ultimately keeping full year performance at a rather steady pace. This indicates a chance of the market to recover back in the 2H2020 somewhat but still having to face the challenging environment as Covid-19 continues to plague the country.

By type, 2 and 3-storey units remain as the popular choice by buyers and this is further pushed with supply also being in favour of these two types – 2-storey units at 49% supply share and 3-storey units at 26%. Currently in the pipeline, both types are also at the top in incoming numbers at 535 units for 2-storeys and 528 for 3-storeys. Areas that will be expecting a notable portion of these future units are Bachok, Kota Bharu and Kuala Krai.

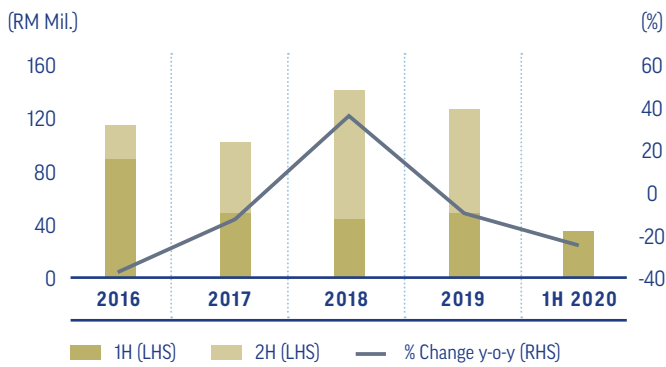
Number of Shop Office Property Transactions in Kelantan (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Kelantan (2016-1H 2020)

(Source: JPPH)



HOTEL

Thus far up to 1H2020, no closures were seen for the state and supply in hotel rooms maintained at 4,360 rooms. This may be attributed to Kelantan’s tourism scene mainly dependent on locals as opposed to foreigners and was able to recover when state borders were lifted prior to the next big wave of new cases in September 2020. Of the 91 establishments in Kelantan, 14 are rated 3 to 5-stars. Some of these being Hotel Perdana Kota Bharu, The Grand Renai, Grand Riverview Hotel and Holiday Villa Hotel & Suites Kota Bharu.



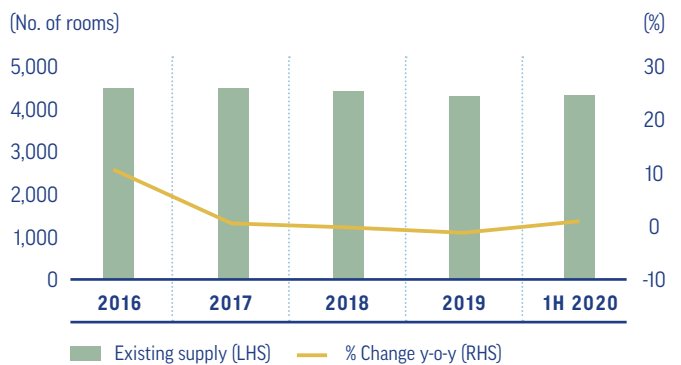
Gua Musang

After a long wait, ibis Styles Kota Bharu has opened its doors to the public in December 2020. Falling under the umbrella of Accor Group, this new hotel is located right in Kota Bharu town centre and next to the new Kelantan state palace. Popular places are just minutes away by car such as KB Mall, AEON Mall and the famous Siti Khadijah market.

Another hotel to have opened its doors in 2020 is the H Elite Design Hotel in Bandar Baru Tunjong. Offering a total of 279 guestrooms, the 3-star hotel is conveniently located just 15 minutes away from Wakaf Che Yeh and 20 minutes away from Kota Bharu City.

Existing Supply of Hotels in Kelantan (2016-1H 2020)

(Source: JPPH)

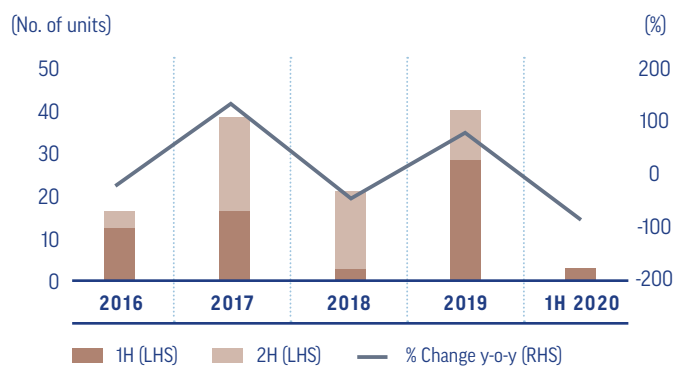


“KELANTAN’S TOURISM SCENE MAINLY DEPENDENT ON LOCALS AS OPPOSED TO FOREIGNERS AND WAS ABLE TO RECOVER WHEN STATE BORDERS WERE LIFTED PRIOR TO THE NEXT BIG WAVE OF NEW CASES IN SEPTEMBER 2020”

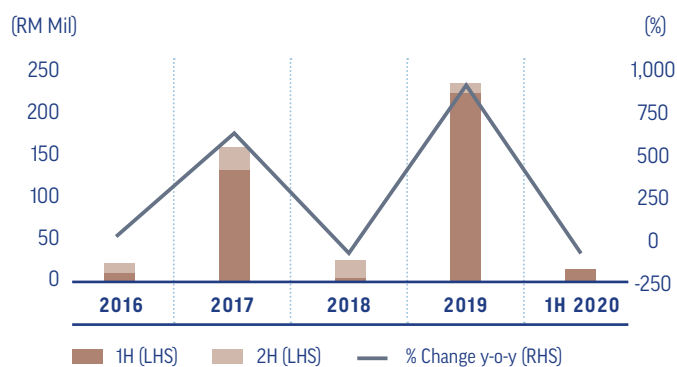
INDUSTRIAL

Kelantan’s industrial market size in existing supply may be flat with no new additions recorded as of late and only 28 new industrial units in the pipeline, but the transaction market is far from flat and have shown consistent up and down movements going years before – though the severe percentage changes are due to the quantum transaction number being on the low side of only double digits since 2013.

Number of Industrial Property Transactions in Kelantan (2016-1H 2020) (Source: JPPH)



Value of Industrial Property Transactions in Kelantan (2016-1H 2020) (Source: JPPH)



The big drop from 1H2019’s 28 transacted units to 1H2020’s 3 transacted units may have been caused by the pandemic but it is not unique as 1H2018 had also recorded just 3 transacted units. Despite 2019’s valiant attempt to strong market recovery, positive growth had taken several large steps back and more time likely needed to see the next big upturn.

By locality, Kota Bharu holds the most industrial property stock at 65% and a few others in Gua Musang and Kuala Krai. In comparison to other states with bigger industrial capacity, Kelantan is on the lower end in ranking against bigger industrial hubs like Perak, Negeri Sembilan and East Malaysia who are in the thousands.

NOTABLE ANNOUNCEMENTS

- There is speculation of Sunway Bhd gearing up for its own township development in Bandar Kota Bharu with the recent acquirement of a land that will be developed by Sunway Medical Centre Kota Bharu Sdn Bhd into a 200-bed hospital, costing an estimated RM200 million.
- The construction of the East Coast Rail Link’s (ECRL) Section A portion will commence upon the government’s approval. Section A links Kelantan to Terengganu and the two stations in Kelantan are Kota Bharu and Pasir Puteh.
- The 74km highway connecting Kota Bharu to Kuala Krai is scheduled for completion in 2024 and thus far, several phases are at 50% completion.

KEY FACTS (AS AT IH 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	102,760 units	↑ 1.9% y-o-y
Transaction Volume	5,576 units	↓ 15.2% y-o-y
Transaction Value	RM697.19 mil.	↓ 20.2% y-o-y

RETAIL

Supply	2.22 mil. sf	↑ 25.5% y-o-y
Occupancy Rate	71.0%	↑ 1.0% y-o-y
Rental	Prime: RM4.00psf – RM36.00psf	

PURPOSE-BUILT OFFICE

Supply	3.91 mil. sf	↑ 0.7% y-o-y
Occupancy Rate	95.3%	↓ 0.6% y-o-y
Rental	Prime: RM1.70psf – RM3.90psf	

SHOP OFFICE

Supply	7,610 units	↑ 0.9% y-o-y
Transaction Volume	86 units	↓ 31.2% y-o-y
Transaction Value	RM64.95 mil.	↓ 34.0% y-o-y

HOTEL

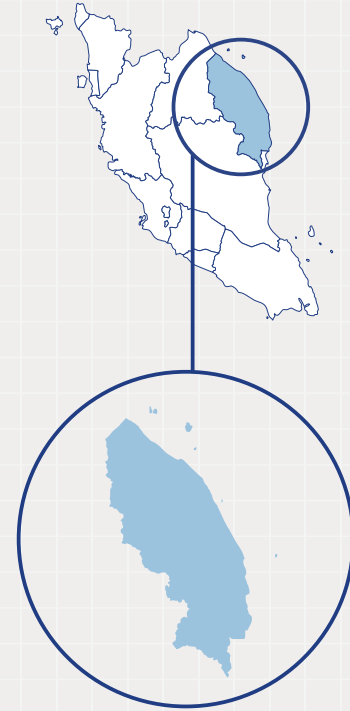
Existing Supply	10,280 rooms	↑ 19.8% y-o-y
Incoming Supply	597 rooms	

INDUSTRIAL

Supply	866 units	↔ 0.0% y-o-y
Transaction Volume	15 units	↑ 15.4% y-o-y
Transaction Value	RM24.00 mil.	↑ 41.4% y-o-y

Capital: Kuala Terengganu
Est. Population: 1.25 million
Area (km²): 13,052

(Source: DOSM)



TERENGGANU
DARUL IMAN

RESIDENTIAL

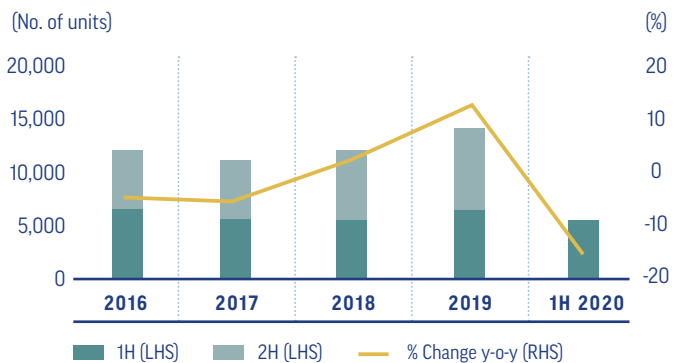
Despite Covid-19 bringing its wave of disruptive impact on to Malaysia’s economy, Terengganu’s residential market had held up better in comparison to other states with contractions recorded at a moderate 15.2% in volume and 20.2% in value to 5,576 units worth RM697.19 million.

As a residential market that is on the lower side of prices in comparison to other key states, 1H2020 transactions were primarily transacted below RM400,000 – with a 96.9% transaction share. Looking at a smaller price bracket, 62.9% of the transactions were at a price tag of below RM100,000.

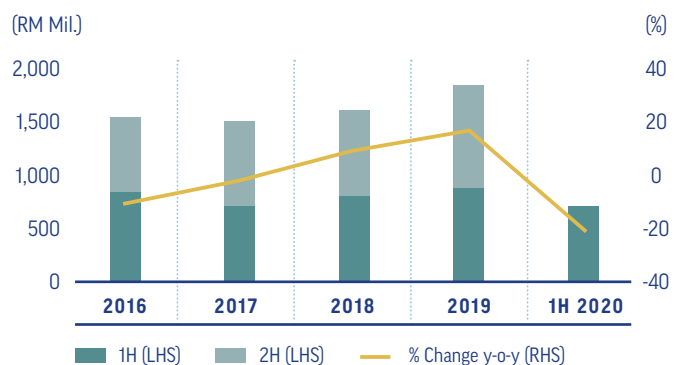
This is mainly due to local buyers’ higher preference towards vacant plots as evidenced by the 75% transaction share based on type of residential property. Landed homes that had notable transaction numbers are 1-storey terraced, 1-storey semi-detached and detached units.

In terms of the pattern in supply of residential properties in Terengganu, interestingly, detached type comes on top with the high stock share of 31% and followed by terraced type at 27%. The high-rise market of Terengganu remains a minority amongst the strongly preferred landed homes and this is reflected in both the low supply (1,381 units) and low demand (less than 1% transaction share).

Number of Residential Property Transactions in Terengganu (2016-1H 2020) (Source: JPPH)

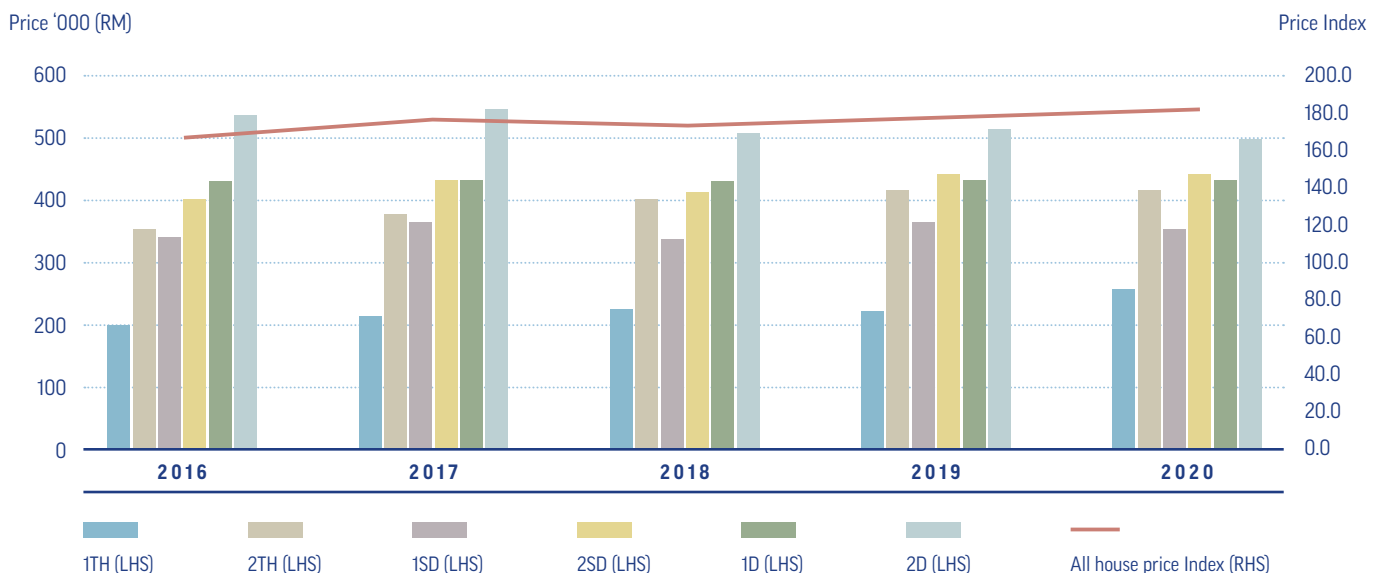


Value of Residential Property Transactions in Terengganu (2016-1H 2020) (Source: JPPH)



Kuala Terengganu Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Terengganu

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Semi-D @ Manir	Kuala Terengganu	1-sty Semi-Detached	14	From RM245,000	2021
Casa Tiara	Kemaman	1-sty Semi-Detached	16	From RM332,100	2021
Lestari Residence	Besut	1-sty Semi-Detached	14	From RM298,000	2021
Taman D'Jaya	Jertih	2-sty Terraced	24	From RM299,000	2021
Residensi Bayas	Kuala Terengganu	2-sty Terraced	55	From RM381,780	2021
Taman Wan Zainum	Dungun	1-sty Semi-Detached	10	From RM315,000	2021
		1-sty Detached	18	From RM415,000	
Taman Serai Impian	Dungun	1-sty Terraced	29	From RM230,000	2021
Geliga Residence	Kemaman	1-sty Terraced	11	From RM235,000	2022

In the pipeline, Terengganu will not be seeing massive injections as only 383 new units are recorded currently under construction. The overhang situation is also relatively under control with 445 units worth RM167.4 million noted as at 1H2020 although, this number had almost tripled from 2016's 185 units. The overhang units are primarily within the price bracket of RM200,001 to RM500,000 and of the terraced and semi-detached types.

The affordability issue remains a topic of discussion and the state government is continuing its effort to provide such homes for the people of Terengganu. As at Jun 2020, the State Executive Councillor for Local Government, Housing, Health and Environment had shared that 11,500 affordable housing units are currently under construction and the state government is on track to building 20,000 affordable homes by 2022. The areas selected to house these affordable units include Kuala Nerus, Hulu Terengganu, Besut and Kemaman. The affordable homes will be developed by both the government and private developers.

A new high-rise development named Pangsapuri Ladang Tanjung by Lembaga Tabung Amanah Warisan Negeri Terengganu was completed in 2020 after a delay from its initial target in 2019. Offering a total of 268 units priced between RM430,000 to RM500,000, the landscape views available for potential residents are the iconic Kuala Terengganu Drawbridge or Kuala Terengganu's cityscape.

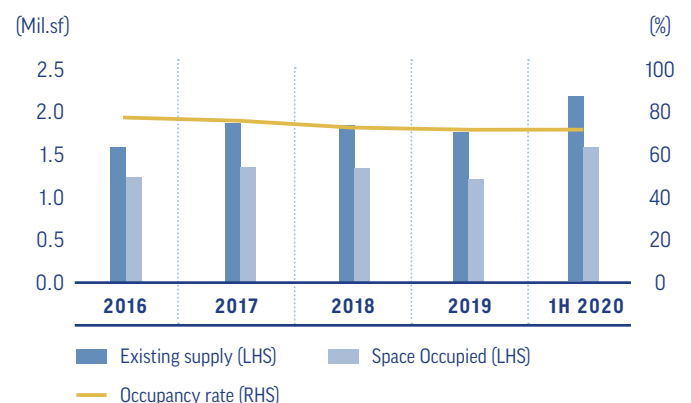
RETAIL

On a 5-year trend, Terengganu's demand for retail mall spaces have gradually fallen year by year, now at 70.3% in 1H2020 from 2019. But the good news is that it held up despite a large injection of new spaces into the market, coming up to about 456,000 sf and bringing the state's total supply above the 2 million sf mark.

At this occupancy level, there are 660,603 sf of vacant spaces in various malls across Kelantan with Kuala Terengganu as the biggest contributor and followed by Kemaman.

Existing Supply & Occupancy Rate of Retail Spaces in Terengganu (2016-1H 2020)

(Source: JPPH)



“ONE KEY FACTOR TO NOTE OF ON TERENGGANU’S HIGH DEMAND RATE IS THE SUPPLY CONSISTING OF MORE GOVERNMENT BUILDINGS THAN PUBLIC BUILDINGS”

Before Covid-19 hit Malaysia’s shores, Terengganu saw the opening of Kuala Terengganu City Centre (KTCC) mall in January 2020, a development under the East Coast Economic Region Development Council (ECERDC) purview.

Seen as the new landmark of Kuala Terengganu, the new mall and other components of the master development is expected to change the city’s landscape and be on par with other major cities in Malaysia.

Another highly anticipated mall is the upcoming NU Mayang Mall by Pelaburan Hartanah Bhd (PHB) slated for completion in 2021. With a net lettable area (NLA) of 715,000 sf, NU Mayang Mall will be standing 6-storeys high with a serviced apartment sitting above it.

Adding onto this next exciting news is the partnership formed with SOGO as the anchor tenant to NU Mayang Mall – the entire mall being outright leased out to SOGO which enables the department store to directly manage and coordinate the right mix of tenants, just as with SOGO KL. The department store itself will take up about 150,000 sf and the remaining be filled with other tenants.

But the pandemic had brought pressure to existing retail malls, more specifically on retaining existing and finding new tenants. Both Giant and Mydin malls had suffered from loss in tenants and have yet to find new ones at the time of writing.

Rental rates of ground floor spaces in selected malls of Kuala Terengganu are stable at a range of between RM4.00 to RM36.00 psf pm. Older established malls like GIANT Hypermarket and Mydin Mall command high rates of up to RM36.00 psf pm; small kiosk lots in GIANT Hypermarket reached a high RM43.00 psf pm. As a newly opened mall, KTCC Mall command ground floor rates of RM10.00 to RM14.00 psf pm.



Perhentian Island

PURPOSE-BUILT OFFICE

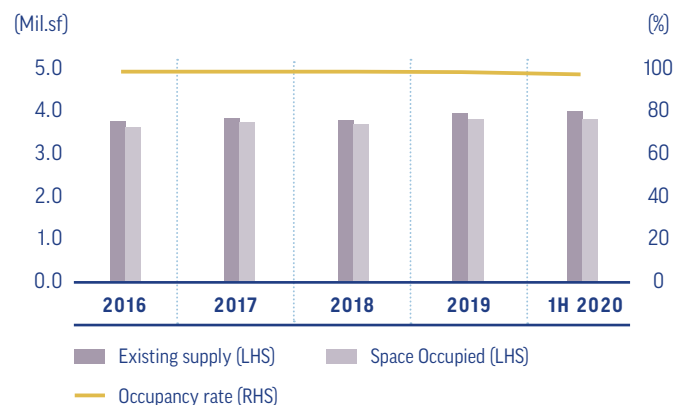
With no major changes to Terengganu’s office building supply, occupancy rate has strongly maintained at 95.3% and had remained above the 90% mark thus far. But one key factor to note of on Terengganu’s high demand rate is the supply consisting of more government buildings than public buildings. Close to 70% of the office buildings in the state are government-owned, sizing at 2.55 million sf.

In the pipeline, only one new PBO building is recorded which is the government-owned Wisma MBKT in Kuala Terengganu town with an expected size of 686,382 sf.

Prime rental rates of selected PBO spaces in Kuala Terengganu ranges between RM1.70 to RM3.90 psf pm. Buildings like Wisma MAIDAM, Wisma Sri Amar and Bangunan Yayasan Islam Terengganu command between RM2.00 to RM2.80 psf pm whereas PB Square reached the highest at RM3.90 psf pm.

Existing Supply & Occupancy Rate of Purpose Built Office in Terengganu (2016-1H 2020)

(Source: JPPH)

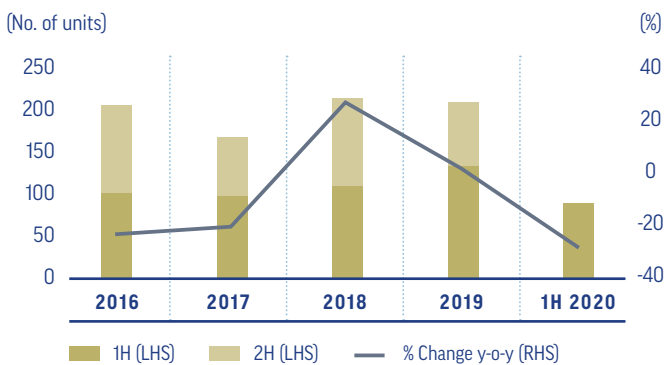


SHOP OFFICE

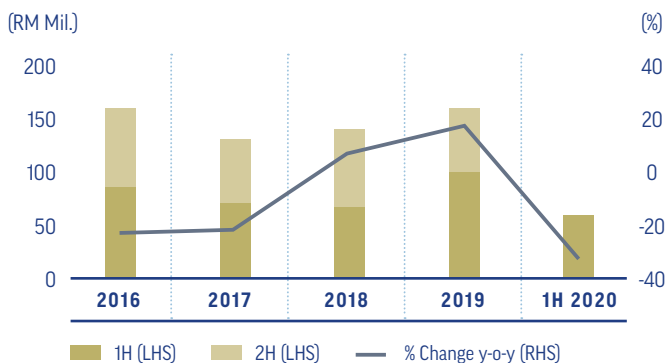
Terengganu’s shop office market had been positive since 2017’s low point however Covid-19 affected the transaction activities for 1H2020 – registering a fall of 31.2% in volume and 34.0% in value to just 86 units worth RM64.95 million.

Supply grew at just a marginal 0.9% to 7,610 units and much dominated by the 2 to 3-storey types. Kuala Terengganu and Kemaman, as the two main urban areas, hold a large portion of shop offices with Dungun not far behind. In the pipeline, 1,118 new units are currently under construction and are situated mainly in Hulu Terengganu, Kemaman and Kuala Terengganu.

Number of Shop Office Property Transactions in Terengganu (2016-1H 2020) (Source: JPPH)



Value of Shop Office Property Transactions in Terengganu (2016-1H 2020) (Source: JPPH)



Newer office schemes like Dataran Alamanda, Panji Curve and Perkedaaian Tok Pelam along Jalan Sultan Zainal Abidin command rental rates of its ground floor spaces of between RM4,000 to RM5,600 per month.

HOTEL

As at 1H2020, the cumulative supply of hotels in Terengganu stood at 10,208 rooms and making up 227 hotel establishments across the state. With Kuala Terengganu and Pulau Redang as popular destinations for local and international tourist, the state has a number of luxury 4 to 5-star rated hotels. Of the 11 officially recorded, some of the well-known establishments are Hotel Primula and Ri-yaz Heritage Resort & Spa in Kuala Terengganu, and the Laguna Resort and Taaras Beach & Spa Resort in Pulau Redang.

1H2020 saw no openings of new hotels but in the pipeline, 2 branded establishments are highly anticipated and will mark the entrance of international branded hotels into Terengganu’s tourism scene. They are Movenpick Resort & Spa Chendering and Marriott Resort & Spa in Pulau Perhentian. Initially reported to complete by 2020, the opening has been delayed to 2021 for both hotels.

Following the transfer of 4 hotels under Lembaga Tabung Haji to Urusharta Jamaah Sdn Bhd under the Finance Ministry, TH Hotel and Convention Centre Kuala Terengganu has been renamed to Raia Hotel & Convention Centre Terengganu.



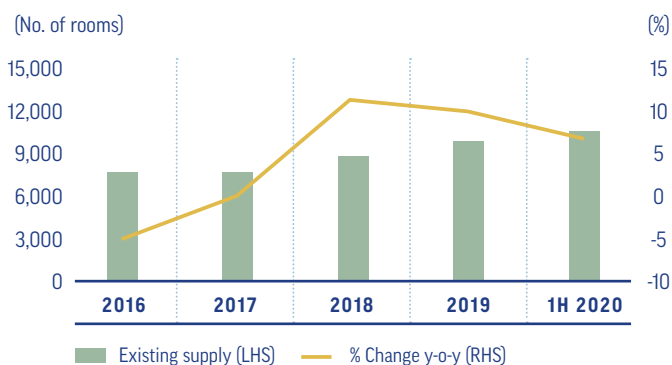
Terengganu State Museum

Terengganu's tourism sector was just as affected by the pandemic as with other states in the country but since the tourism traffic leans more to the locals than foreigners, the state government is confident of the market to be one of the first to revive post-pandemic once state borders are lifted and travels permitted. Despite the rocky year, the state government is confident of reaching its 4.5 million tourist arrival target after observing the high rebound in bookings during the previous CMCO period.

The iconic Kuala Terengganu Drawbridge has successfully established itself as a popular tourist landmark since its completion and had contributed to boosting up tourism traffic before the pandemic had hit Malaysia.

Existing Supply of Hotels in Terengganu (2016-1H 2020)

(Source: JPPH)



INDUSTRIAL

While small in market size, Terengganu's industrial sector had recorded positive growth within the review period with a positive 15.4% in volume and 41.4% in value to 15 units worth RM24 million. Supply of industrial properties maintains at 866 units and 48 new units are in the pipeline. But the sector may see new entrance into the market in the future as Ta Win Holdings Bhd has teamed up with Perbadanan Memajukan Iktisad Negeri Terengganu (PMINT) to jointly develop an industrial park in Kemaman. Inspired by the Kitakyushu Eco-Town project in Fukuoka, Japan, the 500-acre Terengganu Ecocycle Park will comprise of a core technology zone, sub-core technology zone and supporting technology zone. Development will ensue in 4 phases.

In general, Terengganu's industrial sector is shaped by a business model that differs specialisation by areas. This is seen by the focus of manufacturing, storage and warehousing in Kawasan Perindustrian Gong Badak, Oil & Gas in Kawasan Perindustrian Petronas Paka Kerteh, and sawmilling in Kawasan Perindustrian Ajil in Hulu Terengganu.

NOTABLE ANNOUNCEMENTS

- ♦ Samaiden Group Bhd has secured a RM115.6 million contract from BTM Biomass Products Sdn Bhd to develop a 10-megawatt biomass-based power plant in Teluk Kalong, Terengganu.
- ♦ The long-awaited Azizulhasni Awang Velodrome in Balai Besar, Dungun is expected for completion in April 2022 after a delay due to Covid-19; originally set by end 2020.
- ♦ The Terengganu Smart Digital Government Master Plan was launched with the aim to become a practical and sustainable smart digital model government by 2030.
- ♦ The 4 stations approved in May 2020 for the state of Terengganu as part of the ECRL project are Jerteh, Bandar Permaisuri, Kuala Terengganu and Dungun under Section A of the alignment.

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	284,439 units	↑ 3.0% y-o-y
Transaction Volume	4,029 units	↓ 27.6% y-o-y
Transaction Value	RM859.54 mil.	↓ 33.5% y-o-y

RETAIL

Supply	4.47 mil. sf	↑ 5.4% y-o-y
Occupancy Rate	73.4%	↑ 6.9% y-o-y
Rental	Prime: RM10.00psf – RM40.00psf	

PURPOSE-BUILT OFFICE

Supply	4.53 mil. sf	↑ 0.1% y-o-y
Occupancy Rate	89.8%	↓ 2.2% y-o-y
Rental	Prime: RM1.80psf – RM3.40psf	

SHOP OFFICE

Supply	24,347 units	↑ 3.3% y-o-y
Transaction Volume	183 units	↓ 53.8% y-o-y
Transaction Value	RM155.79 mil.	↓ 45.1% y-o-y

HOTEL

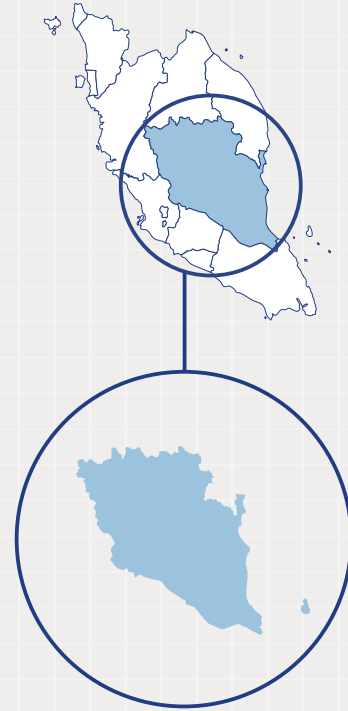
Existing Supply	25,383 rooms	↑ 4.1% y-o-y
Incoming Supply	247 rooms	

INDUSTRIAL

Supply	3,578 units	↑ 0.6% y-o-y
Transaction Volume	57 units	↓ 28.8% y-o-y
Transaction Value	RM53.71 mil.	↓ 54.9% y-o-y

Capital: Kuantan
Est. Population: 1.67 million
Area (km²): 35,965

(Source: DOSM)



PAHANG
DARUL MAKMUR

RESIDENTIAL

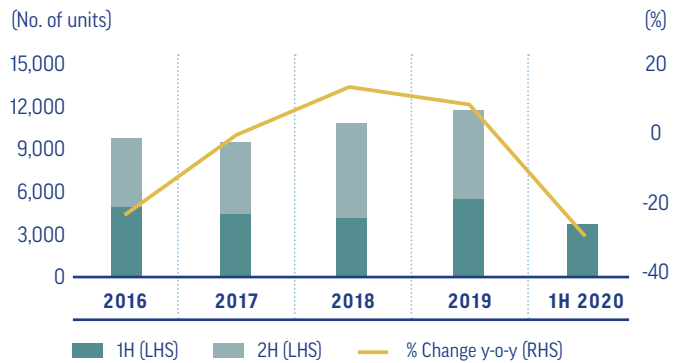
After having shown a steady improvement from 2017 to 2019, Pahang’s residential market was pushed a few steps back due to Covid-19 with a contraction of 27.6% in volume and 33.5% in value to 4,029 units worth RM859.54 million. Of these transactions, many were within the affordable range based on the 82% transaction share being below RM300,000.

By type, landed homes are performing comparatively well with terraced and detached types contraction by a third as opposed to condominium/apartments who fell by 52% y-o-y. Surprisingly, 1-storey semi-detached saw a small growth of 8% from 1H2019 and considering the pandemic environment, is a feat.

On the supply side, existing stock is expectedly in favour of landed homes but condominium/apartment types are slowly gaining ground especially in areas of Bentong, Cameron Highlands and Kuantan – these areas being the major business centre and tourist spots. In the pipeline, Pahang will be expecting an injection of close to 20,000 new residential units and of this, 1,602 units are high-rise units. Under the commercial category, there are more serviced apartment units in Pahang than condominium/

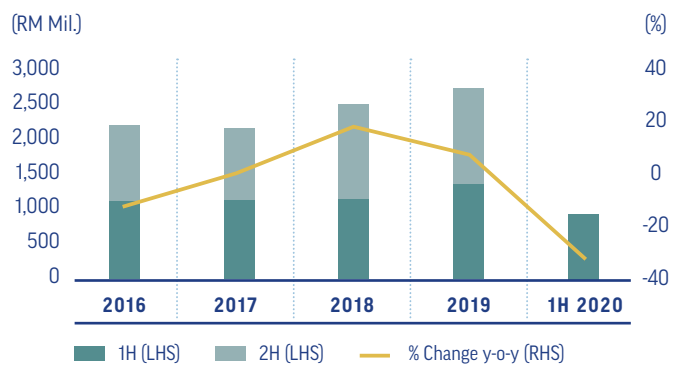
Number of Residential Property Transactions in Pahang (2016-1H 2020)

(Source: JPPH)



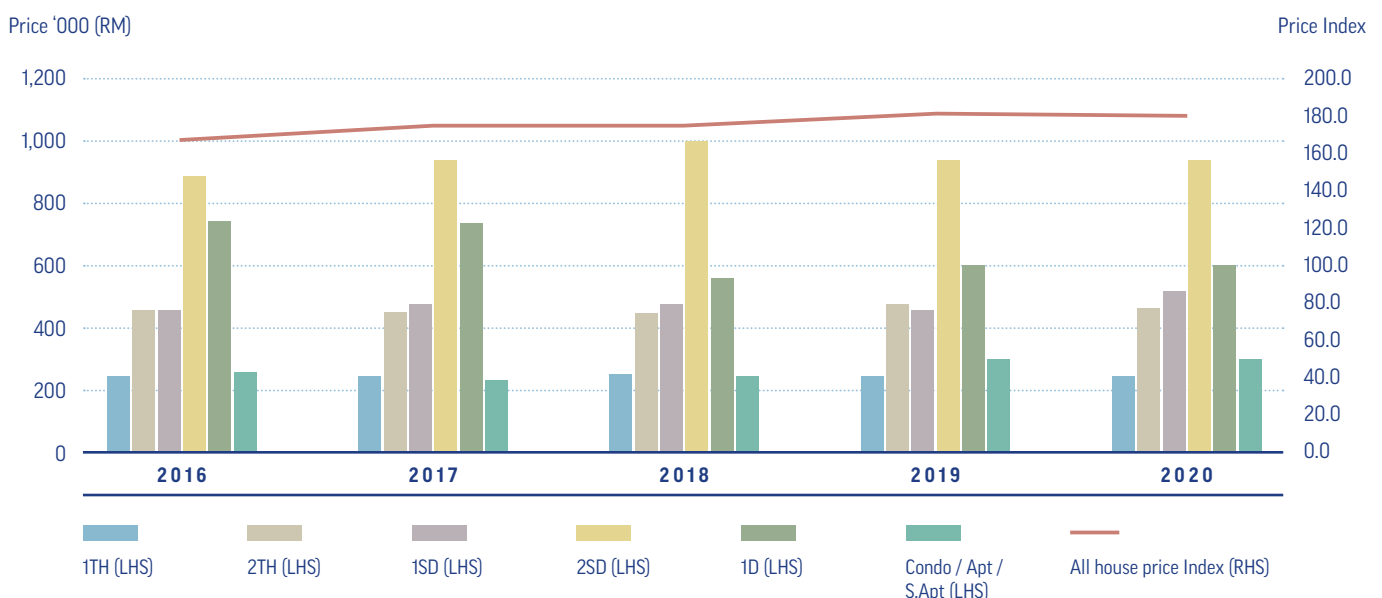
Value of Residential Property Transactions in Pahang (2016-1H 2020)

(Source: JPPH)



Kuantan Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Pahang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
SpringVale2	KotaSAS	1½-sty Terraced	133	From RM450,000	2021
Greenlast Mutiara @ Kg Padang	Kuantan	1-sty Terraced	72	From RM269,800	2021
Priya Scheme Kuantan	Penor	1-sty Terraced	978	From RM158,880	2021
Residensi Gambang 3	Gambang	2-sty Terraced	500	From RM152,280	2021
Serene Residence	KotaSAS	2-sty Terraced	85	From RM533,333	2022
Majestic Homes	KotaSAS	1½-sty Semi-Detached	44	From RM755,555	2022
Grand Icon Majestic	Genting Highlands	Serviced Apartment	1,885	From RM460,000	2022
Impiana Residences Cherating	Cherating	Serviced Apartment	257	From RM390,000	2022
Geo Antharas	Genting Highlands	Serviced Apartment	476	From RM520,000	2023
Baluk Baru (Phase 3)	Baluk	1-sty Terraced	122	From RM215,000	2023

apartment in the same 3 areas mentioned earlier at 5,870 units but future supply is lower at 316 units and are all in Kuantan.

Since 2016, Pahang's overhang situation has gotten worse as the completed yet unsold stock had more than doubled – going from 576 units worth RM142.71 million to 1,829 units worth RM712.94 million. This brings concern as 61% of the stock are terraced, semi-detached and detached types when typically high-rises tend to be the villain in such scenario. By price bracket, 82% are below RM500,000 which signals that houses must not only be within the affordable range and landed, but also in desirable and strategic areas. Just in 2019, the state government had made the decision to cancel 7 PR1MA projects to avoid a potential unsold situation.

“TROPICANA CORP BHD IS SET TO LAUNCH THEIR FIRST TOWNSHIP IN GENTING HIGHLANDS WHICH WILL SIT ATOP MOUNT ULU KALI”

The good news is however Tropicana Corp Bhd is set to launch their first township in Genting Highlands which will sit atop Mount Ulu Kali. Situated in Gohtong Jaya and with a gross development value of over RM2 billion, the Tropicana Grandhill development is expected to bring in a new trend of holistic and health-centric resort living lifestyle in the highlands. Comprising of residential, commercial, wellness, education and park components, the first phase will be the TwinPines Serviced Suites.

RETAIL

Demand for retail space in shopping malls for Pahang has shown several movements over the years but have yet to reach up to above 80% thus far since 2016. Latest occupancy rate in 1H2020 is at 73.4%, an improvement y-o-y but at this level of occupancy, there are still 1.19 million sf of vacant space currently in the market.

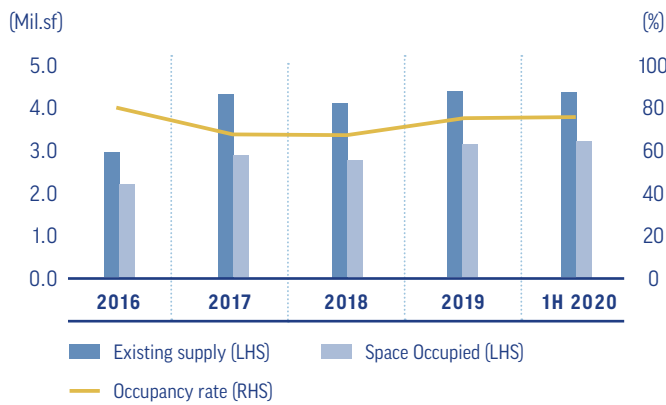
As the state capital and main urban area of Pahang, Kuantan holds the biggest weight in retail space at 2.58 million sf and consequently anchoring the state's overall occupancy performance. Bentong comes in second but at a much smaller 977,309 sf.



Sungai Pandan Waterfall

Existing Supply & Occupancy Rate of Retail Spaces in Pahang (2016-1H 2020)

(Source: JPPH)



Some of the well-known malls are Kuantan City Mall, East Coast Mall and Kuantan Parade. Not forgetting Genting Highlands as one of the top holiday destinations in Malaysia, three malls to note are First World Plaza Genting Highlands, Sky Avenue Genting Highlands and Genting Premium Outlet.

Being the prime malls of Pahang, the aforementioned establishments command a rental rate range of between RM10.00 to RM40.00 psf pm but retail spaces in the High Street section of Genting Premium Outlet have gone above to RM60.00 psf pm.

PURPOSE-BUILT OFFICE

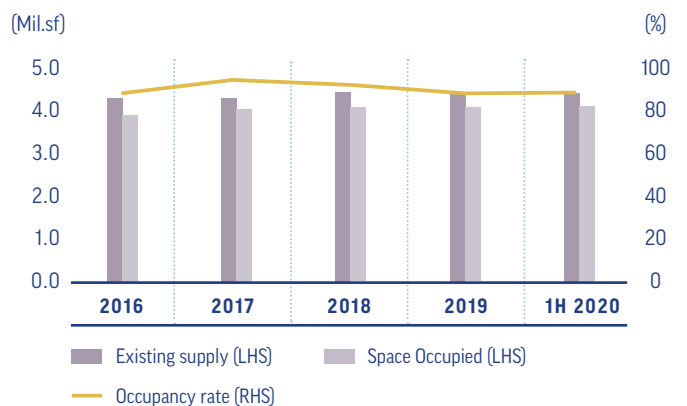
Pahang’s PBO market in 1H2020 held up despite the pandemic. Albeit a small drop from 1H2019, demand for office spaces are still at a healthy 89.8% with no new additions noted within the review period.

At a supply size of 4.53 million sf in office space, the PBO buildings in Pahang are slightly skewed towards government-owned buildings who contribute 54% to total supply. Another new government building will soon enter the market and bringing in 391,537 sf, known as the Pusat Pentadbiran Sultan Ahmad Shah. Situated in KotaSAS, Kuantan, it will anchor the new township as Pahang’s new administrative centre.

Of the selected, prime office buildings in Kuantan, rental rates were observed to generally hover between RM1.80 to RM3.40 psf pm. Those commanding the higher rate of above RM2.50 are KWSP Buiing in Bandar Indera Mahkota and Menara Zenith off Jalan Lim Hoe Lek.

Existing Supply & Occupancy Rate of Purpose Built Office in Pahang (2016-1H 2020)

(Source: JPPH)



Selected Upcoming Shop Offices in Pahang

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
MH Tanjung Lumpur (Phase 3)	Kuantan	2-sty Shop Offices	15	From RM588,000	2021
Taman MH Kg Padang	Kuantan	2-sty Shop Offices	12	From RM600,000	2021
Cameron Centrum Precint 1	Cameron Highland	2, 4 & 5-sty Shop Offices	58	From RM290,000	2021
Taman Armani	Kuantan	2-sty Shop Offices	7	From RM418,000	2022

SHOP OFFICE

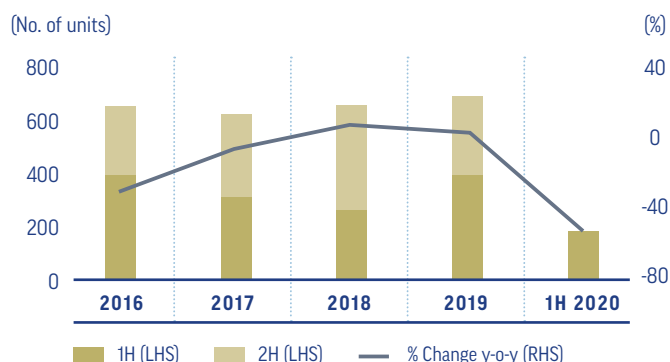
At a market supply size of 24,347 shop offices ranging from pre-war to 6-storey units, Kuantan has the largest percentage share at 40% followed by Temerloh at 17%. By type, 2 and 3-storey units dominate the market at 81% with 2-storey units almost double of 3-storey units.

In the pipeline, areas of Bera Kuantan, Raub and Temerloh will be expecting a sizeable injection of new units into the market and product types still remain of the popular variety, 2 and 3-storey units.

On transaction activities, Pahang's shop office market was significantly impacted by the pandemic and restrictive movement orders implemented, resulting in a contraction of 53.8% in volume and 45.1% in value to 183 units worth

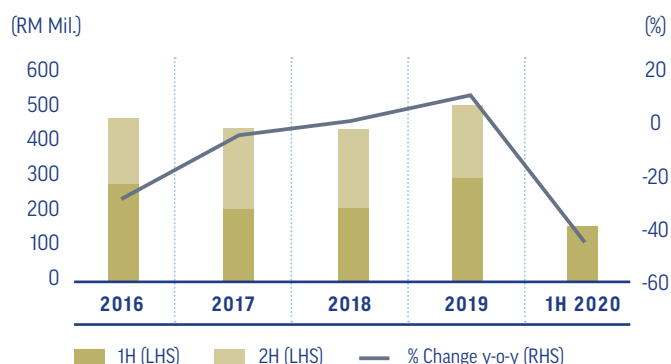
Number of Shop Office Property Transactions in Pahang (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Pahang (2016-1H 2020)

(Source: JPPH)



RM155.79 million. This brings a dampening effect to the market's recovery taking place between 2017 to 2019 and now with 1H2020 being halved y-o-y, Pahang will need to have a big boost to get the market back on the upward track.

Despite restrictions from Covid-19, several commercial projects had achieved completion in 2020. One such is Armani Avenue Cherating with an offering of 2 and 3-storey shop office units. Though small in development size at only 14 units, this new commercial development is strategically located from notable surrounding points. This new commercial spot is just a 10-minute drive distance to Malaysia-China Kuantan Industrial Park (MCKIP), in close proximity to Holiday Villa Cherating and have easy access to the Gebeng industrial park. Prices start from RM690,000.

“BERJAYA TIOMAN RESORT ON PULAU TIOMAN HAD ANNOUNCED THEIR DECISION TO CLOSE ITS DOORS FOR THE TIME BEING BACK IN JUNE 2020, AND EMBARKED ON A MAJOR REDEVELOPMENT PROJECT TO REVITALISE THE MORE THAN 50-YEAR-OLD ESTABLISHMENT”

HOTEL

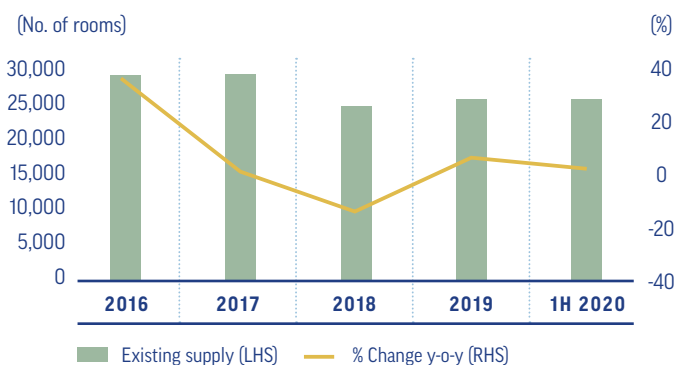
As at 1H2020, Pahang’s hotel and resort sector stood at a capacity of 25,383 guestrooms of various star-ratings. With popular holiday destinations under their belt such as Genting Highlands, Pulau Tioman, Kuantan and Cameron Highlands, there is a sizable 20 hotel establishments that are rated 4 to 5-stars. To mention a few: Hyatt Regency Kuantan Resort, Mangala Resort & Spa, Cameron Highlands Resort, Japamala Resort by Samadhi, and Genting Grand@Resort World Genting.

Taking opportunity from the unpredictable and restrictive period, the Berjaya Tioman Resort on Pulau Tioman had announced their decision to close its doors for the time being back in June 2020, and embarked on a major redevelopment project to revitalise the more than 50-year-old establishment.

On a positive note, just before Covid-19 restrictive measures were enforced, a new hotel brand under the Marriott International umbrella had made its debut in Malaysia with the opening of 3 hotels – one being in Kuantan.

Existing Supply of Hotels in Pahang (2016-1H 2020)

(Source: JPPH)



This came about through the conversion of YTL Corp Bhd’s existing Vistana Kuantan City Centre on Jalan Teluk Sisek. Now renamed as the AC Hotel Kuantan City Centre, this renewed establishment features 215 guestrooms and suites and is just minutes away from Teluk Cempedak, Pahang Royal Golf Club and the Kuantan East Coast Mall.

Another international brand making its debut in the country is Swiss-Belhotel International with the opening of the 4-star Swiss-Belhotel Kuantan as part of Kuantan Waterfront Resort City’s (KWRC) first stage in development. Situated in Tanjung Lumpur, the 29-storey establishment offers 366 guestrooms and suites designed to meet the needs of leisure and business travellers.

INDUSTRIAL

Over the review period, the industrial market of Pahang saw little growth in supply and notable contractions in transaction activities – just as with many other states when the economy was disrupted by the pandemic. Volume of transactions dropped 28.8% (by 23 units), value fell harder by 54.9% to RM53.71 million.

Of the industrial properties transacted, just above half involved vacant plots and price tags were generally seen to group below RM100,000 – all being vacant plots transacted. The remaining transactions were distributed across various price points and several going above RM1 million.

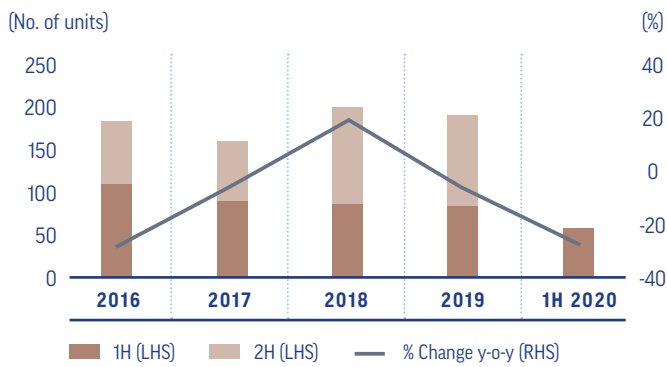
Looking at transacted prices based on specific industrial spots, 1½-storey semi-detached factories in Kawasan Industri Ringan Sektor III went between RM150 to RM300 psf depending on the built-up. For 1½-storey terraced factories in PASDEC Industrial Park, the units were transacted at an average RM145 psf.



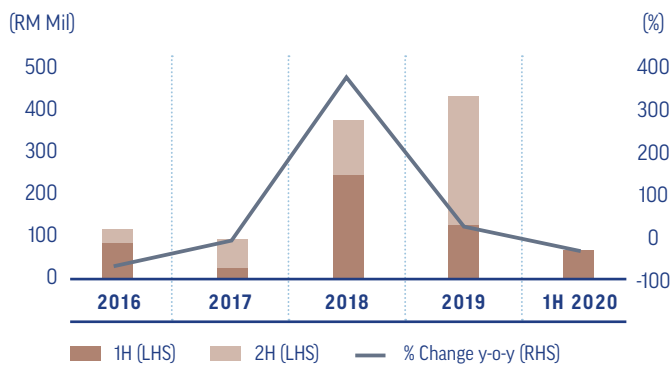
Cameron Highlands

In effort to cater for the rise in demand from industries in the East Coast region, IJM Corp Bhd continues to expand their Kuantan Port facilities and operating speed, starting off with the addition of 2 new ship-to-shore cranes from Zhenhua Heavy Industries Co in late 2020.

Number of Industrial Property Transactions in Pahang (2016-1H 2020) (Source: JPPH)



Value of Industrial Property Transactions in Pahang (2016-1H 2020) (Source: JPPH)



NOTABLE ANNOUNCEMENTS

- ◆ Renamed as Genting SkyWorlds after a legal dispute, the long-awaited outdoor theme park is targeting a new completion deadline in 2021 after construction was halted during MCO period(s).
- ◆ Falling under Section C of the ECRL alignment, Pahang’s portion of stations connecting Pahang to Port Klang is still under consideration with the choice being between Barisan Nasional’s eight-station long route or Pakatan Harapan’s seven-station long route.
- ◆ The state government is confident of the Central Spine Road (CSR) project connecting Kuala Krai in Kelantan to Simpang Pelangai in Bentong to be completed by 2023. Going at a length of 347 km and costing RM8.7 billion, the project was 19% completed as of July 2020.
- ◆ Upon its completion in 2020, the Kuantan 188 tower – formerly named Menara Teruntum – was handed over to the Pahang government by the East Coast Economic Region Development Council (ECERDC). Built to be the new landmark of Pahang and enhancing the Kuantan Waterfront tourist appeal, Kuantan 188 is the tallest tower on the East Coast and 2nd after KL Tower.

Sarawak

Sabah

EAST MALAYSIA REGION

Kuching Waterfront, Sarawak

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	266,781 units	↑ 4.1% y-o-y
Transaction Volume	3,241 units	↓ 34.7% y-o-y
Transaction Value	RM959.17 mil.	↓ 30.4% y-o-y

RETAIL

Supply	10.80 mil. sf	↑ 6.0% y-o-y
Occupancy Rate	78.0%	↓ 2.8% y-o-y
Rental	Prime: RM2.50psf – RM23.00psf	

PURPOSE-BUILT OFFICE

Supply	7.94 mil. sf	↑ 0.6% y-o-y
Occupancy Rate	90.4%	↓ 1.1% y-o-y
Rental	Prime: RM1.30psf – RM4.00psf	

SHOP OFFICE

Supply	32,451 units	↑ 3.8% y-o-y
Transaction Volume	478 units	↓ 46.9% y-o-y
Transaction Value	RM256.90 mil.	↓ 44.5% y-o-y

HOTEL

Existing Supply	20,282 rooms	↑ 1.3% y-o-y
Incoming Supply	318 rooms	

INDUSTRIAL

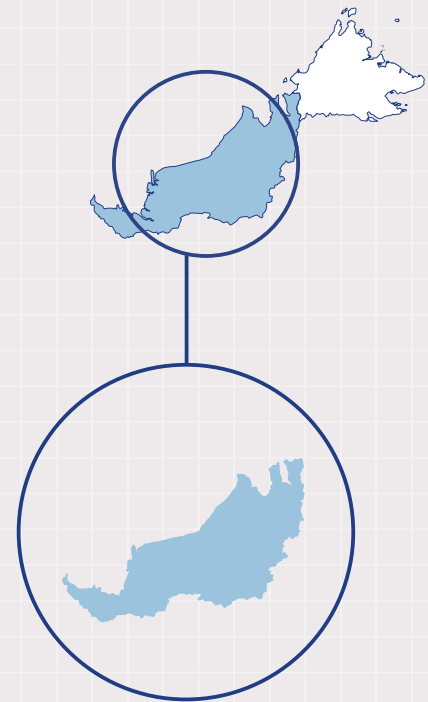
Supply	7,118 units	↑ 0.4% y-o-y
Transaction Volume	207 units	↓ 20.1% y-o-y
Transaction Value	RM157.04 mil.	↓ 37.3% y-o-y

Capital: Kuching

Est. Population: 2.81 million

Area (km²): 124,450

(Source: DOSM)



SARAWAK
BUMI KENYALANG

RESIDENTIAL

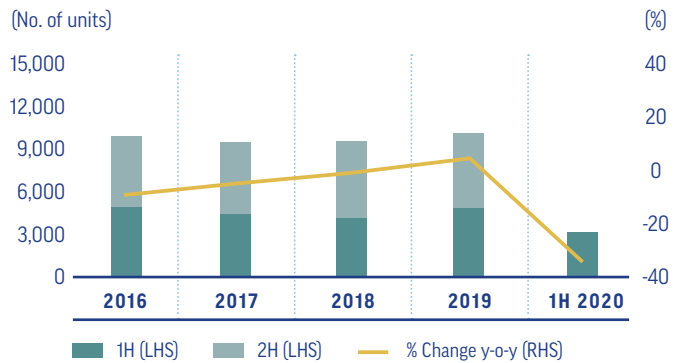
Existing housing supply for Sarawak’s residential market grew by 4.1% – equivalent to 10,515 new housing units injected into the market within the 12-month review period. As the capital city and prime area of Sarawak, Kuching holds the highest residential stock at 43% share and, though not as high as Kuching, other areas worth noting are Bintulu, Miri, Samarahan and Sibiu.

By product type, Sarawak still holds strong on landed homes but high-rises are slowly making their way into the market – including SOHO and serviced apartment developments as evidenced by the presence of 1,308 existing units combined in Miri and Kuching. Currently under construction are another 18,798 new residential units set to hit the market soon and 45% of them are high-rise units.

On the demand side, the residential market was hit by the pandemic disruption and hard enough to record significant drops in buying activities – falling 34.7% in volume and 30.4% in value although part of the fall is attributed to the market freeze caused by the nationwide Movement Control Order (MCO). With optimism held that the market will return back on its feet post-pandemic, transactions are expected to rise and adjust back up to pre-Covid-19 levels once the economy has resettled and readapted to the new norms.

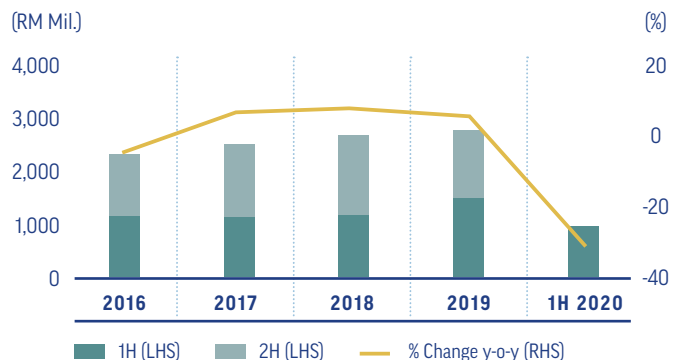
Number of Residential Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



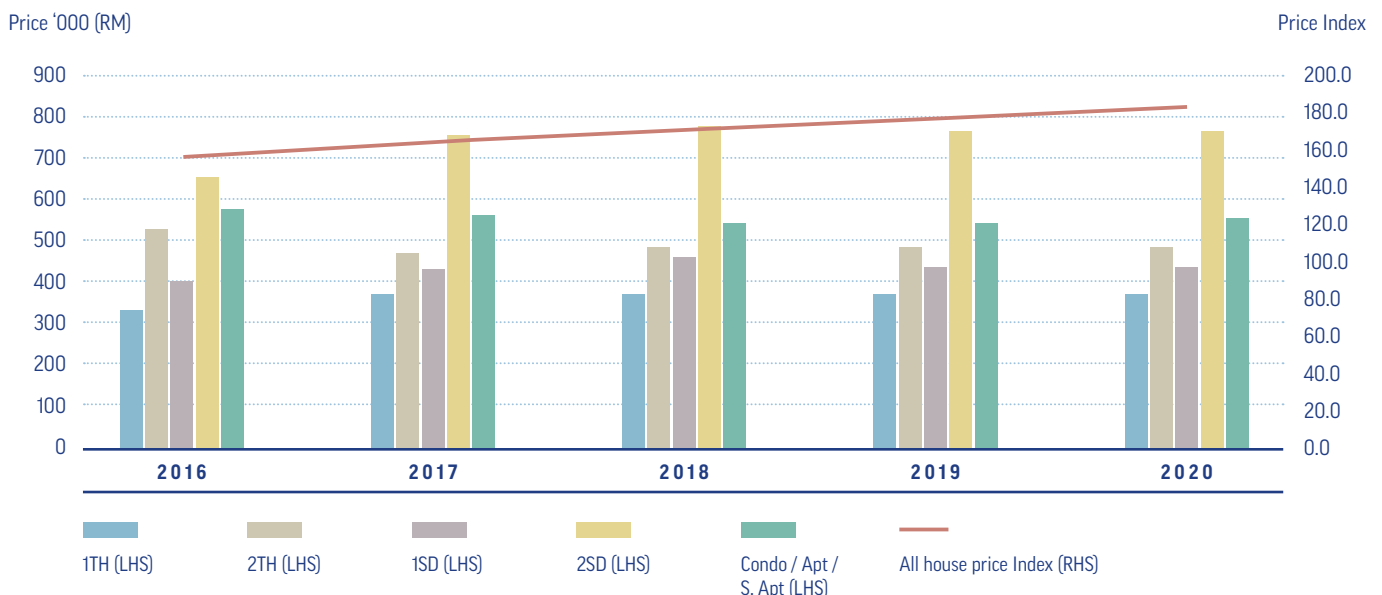
Value of Residential Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



Kuching Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Selected Upcoming Residential Properties in Sarawak

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Yarra Park	Jalan Batu Kawa, Kuching	Apartment	195	Form RM516,000	2021
Landeh Heights 2	Jalan Landeh, Kuching	2-sty Terraced	57	from RM458,000	2021
Urban Residences	Jalan Central Timur, Kuching	Condominium	132	From RM878,000	2021
Lumos Residence	Taman Ridgeway, Kuching	Serviced Apartment	72	From RM715,000	2021
D'Millenia	Unimas, Kota Samarahan	Condominium	400	From RM243,100	2021
Armada Residence	Taman Daya, Kuching	Serviced Apartment	141	From RM517,500	2022
Doncaster Residence	Jalan Hup Kee, Kuching	Serviced Apartment	216	From RM474,300	2022
GEM Suites	Off Jalan Stutong Baru, Kuching	SOHO	198	From RM440,960	2022
Alyvia Residence @ NorthBank	Kuching	3-sty Townhouse	102	From RM625,000	2022
Ava Grove @ Stapok Kuching	Kuching	2-sty Terraced & Semi-Detached	60	From RM638,000	2022
		2-sty Semi-Detached		From RM898,000	
Avona Residence @ Northbank	Kuching	Apartment	298	From RM532,270	2022
The Glen	Jalan Ketitir, Kuching	Apartment	628	From RM246,000	2023
Milano Eight	Kuching	Condominium	780	From RM398,000	2024

Pandemic aside, a closer look at the transactions show preferences of local Sarawakians to still be in landed units as a good 78% of the purchases made within the review period ranged between terraced, semi-detached and detached houses. The sales share of high-rise units is still on the low side and together with the growing size in future supply, there is a call for early caution on how marketable and sellable the new high-rise units will be considering that the overhang count as at 1H2020 stands at 1,964 units worth RM807.5 million including serviced apartment and SOHO types. Further to this number, 850 units of it are of the condominium/apartment type.

On the prices of secondary homes in Kuching, 1-storey terraced house in Taman Muara Tabuan and Hui Sing Garden went at RM366,000 on average and for 2-storey terraced houses, areas of Tabuan Jaya, Taman Stapok and Hakka Avenue Estate have reached up to RM500,000. For high-rise units, prices maintained relatively at RM560,000 on average for schemes such as De Summit Condominium, Kuching Riverine Resort and Jazz Suites @ Viva City.

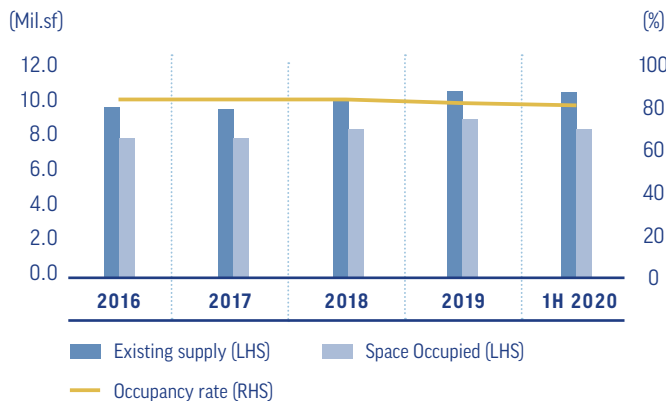
Developed by Miri North City Development Sdn Bhd, the Spektra is an affordable housing project aimed at first-time Sarawakian homebuyers looking to settle down in Miri. Located along Jalan Kuala Baram, the units offered are priced from RM100,000 and will be launched in 4 phases. In 2020, two completions were noted of in Kuching: Manhattan Soho in MetroCity and Liberty Grove Apartment in Kota Sentosa. Prices of the Manhattan Soho units start from RM383,000 and the Liberty Grove units from RM470,000.

RETAIL

Since 1H2019, the supply of retail malls in space for Sarawak has increased by 6.0% to 10.8 million sf of which at a 78% occupancy rate leaves 2.4 million sf of vacant retail space across all malls statewide. With more than 20% of the existing space currently sitting empty and occupancy rate to have continued its downward trend since 2018, the issue of oversupply in retail malls remains relevant. There is only one new mall reported to be under construction

Existing Supply & Occupancy Rate of Retail Spaces in Sarawak (2016-1H 2020)

(Source: JPPH)



which may provide momentary ease of pressure and time for the market to regain a better equilibrium of supply to demand.

Aiming to open its doors by New Year of 2021, La Promenade Mall by Hock Seng Lee (HSL) in Kota Samarahan is set on the path to completion with one of the anchor tenants announced to be the local supermarket chain Choice. The supermarket will take up a ground floor space of 9,774 sf. In Kuching, rental rates of ground floor spaces range between RM2.50psf to RM23.00psf. Malls reaching above RM15.00psf are Riverside Shopping Complex, Plaza Merdeka Mall and Aeon Mall Kuching Sentral. Even higher at above RM20.00psf are The Spring Shopping Mall and Vivacity Megamall.

PURPOSE-BUILT OFFICE (PBO)

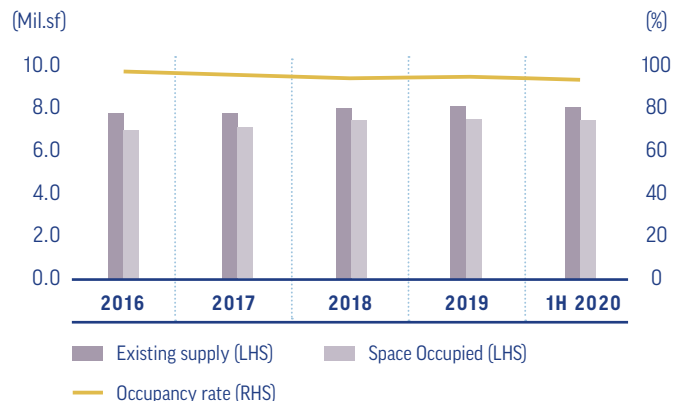
As at 1H2020, Sarawak’s PBO market holds a total existing supply of 7.9 million sf after a minimal increase of 0.6% from 1H2019. Of this supply, over 700,000 sf are vacant and occupancy rate still holding at 90.4% despite a small drop y-o-y.

No completions were noted of within the review period but Sarawak is expected an injection of about 630,000 sf of new office space in the next few years. It is yet to be seen if the office market will be affected by the aftermath of the pandemic or will it hold up at a 90% healthy occupancy level.

Rental of PBO spaces remained stable in Kuching ranging from RM1.30 psf pm to RM4.00psf pm. Gateway Kuching and Wisma STA commanded above RM3.50 psf pm.

Existing Supply & Occupancy Rate of Purpose Built Office in Sarawak (2016-1H 2020)

(Source: JPPH)



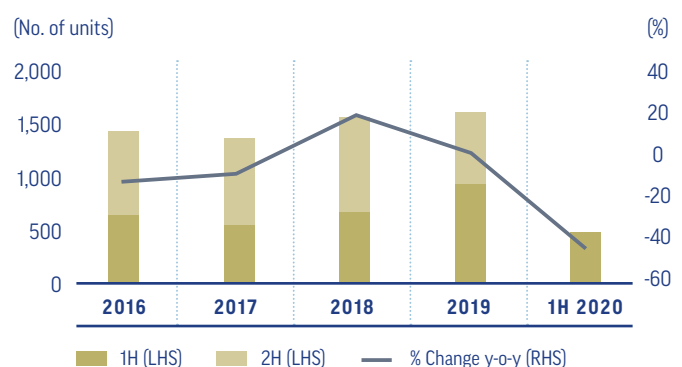
SHOP OFFICE

The shop office market of Sarawak felt a hard hit from Covid-19 as evidenced by the close of half fall in both volume and value of transactions; 46.9% and 44.5% respectively. This puts a dampener on market sentiment as activities were seen to be picking up in the past 2 years after a long, sluggish run. While it may take a big boost in spending to bring market activities back up, there is hope of recovery albeit at a more gradual or sudden pace.

But the presence of overhang shop office units is taken as a precaution to possible overbuilding as the number as continued to increase over the past 12 months – 1H2020 at 261 units worth RM335.1 million of which a majority are 3-storey shop office type. Corresponding to this is the fact that 3-storey types dominate Sarawak’s shop office existing stock at 58% of the total 32,451 units – signaling a possible oversupply point for this particular shop office type.

Number of Shop Office Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



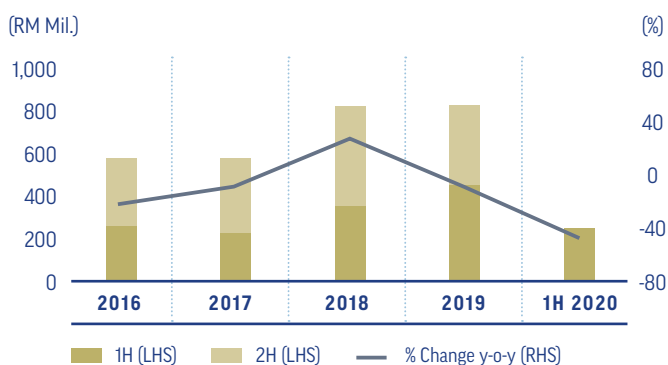
Selected Upcoming Shop Office Properties in Sarawak

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Parkway @ Stutong Baru	Kuching	4-sty Shop Offices	33	From RM1.45 mil	2021
Pine Square @ Eden Parade, Batu Kawa	Kuching	2&3-sty Shop Offices	266	From RM560,000	2021
The NorthBank - Phase 2	Kuching	3-sty Shop Offices	49	From RM1.62 mil	2023

Value of Shop Office Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



HOTEL

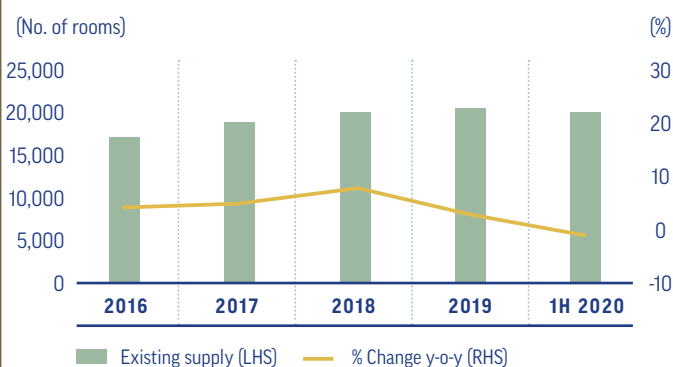
Over a span of 12 months, there is minimal change to Sarawak's hotel room supply and 1H2020 registering a total of 20,282 rooms of various star-ratings. Of the 375 hotel establishments across the state, 53 hotels are rated 3-stars and above which is equivalent to over 9,000 hotel rooms – a 45% share of total room count. Notable 5-star hotels in Sarawak are the Hilton, Pullman and Waterfront Hotel located at Kuching and Marriott Resort located in Miri.

As one of the front sectors to be hit directly and almost immediately by the pandemic, the hotel sector of Sarawak had and continues on to fight against the Covid-19 pandemic that had resulted in low to zero tourism traffic; be it locally or internationally. While larger hotel chains have some capacity to stay afloat during border lockdown periods, smaller establishments like budget hotels who rely on daily or weekly businesses to stay open struggle even more. Some taking the route of temporary closures to wait out the pandemic, others less fortunate were forced to take the route of permanent closure.

But amidst the depressing environment, a new alternative form of services was introduced as a response to the new working culture that was practiced during the pandemic period – Work-From-Home. For hotel establishments, this brings the opportunity of offering guests a space to work in for a specified period of time whilst enjoying the ambience and facilities of the hotel itself. The Grand Margherita Hotel Kuching joined in with the Work-From-Hotel package priced at only RM30 per person which includes the usage of the hotel lobby workspace for up to 11 hours daily and complimentary facilities and F&B vouchers.

Existing Supply of Hotels in Sarawak (2016-1H 2020)

(Source: JPPH)



INDUSTRIAL

Demand in Sarawak's industrial sector had taken a hit from the pandemic and 1H2020 came through with a fall of 20.1% in volume and 37.3% in value of industrial property transactions. This came after 2019's encouraging rise after a period of slump in market activities but all is not lost as the pandemic had not brought industrial transaction levels down to its lowest for Sarawak – 1H2018 being the

lowest in the past 5 years. In prices, transactions are split at the RM500,000 mark with 50% being below it and 21% above RM1 million.

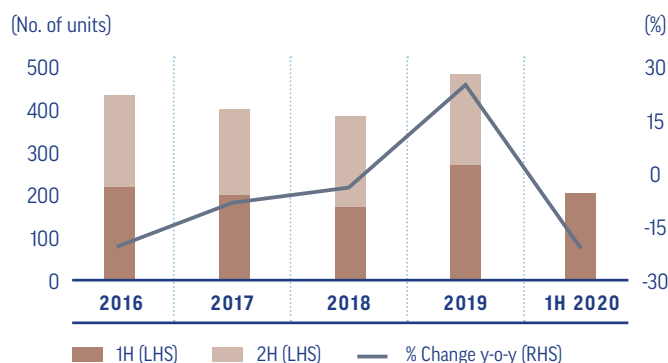
Though not as notable in supply such as states like Selangor, Johor and Pulau Pinang, Sarawak's existing stock in industrial units is relatively strong at 7,118 units and has seen a growth of 21% since 1H2016. Product type is heavily dominated by semi-detached and detached factories/warehouses at 82% supply share.

The overhang situation of Sarawak's industrial sector, though not at a concerning level, is observed to continue growing from 1H2019 at 197 units (RM79.8 million) to 1H2020 at 308 units (RM199.4 million). This comes alongside an incoming supply of 221 new industrial units currently underway and may add on further weight to the overhang burden should market absorption not pick-up enough to supply's level – more so with the economy still battling against Covid-19's restrictive movement and health threat.

The Sarawak BioHub Port and Industrial Estate development by a consortium involving Port of Rotterdam, Bintulu Port Holdings Bhd and Regal International Group is expected to reveal its masterplan in early 2021. To be located on 2,500 ha of land between Bintulu and Samalaju, 200 to 300 ha of the land will be allocated to the BioHub Port which would be operated collectively by Nintulu Port and the Port of Rotterdam while the remaining while the remaining allocated for industrial estate will be co-developed in phases with downstream companies.

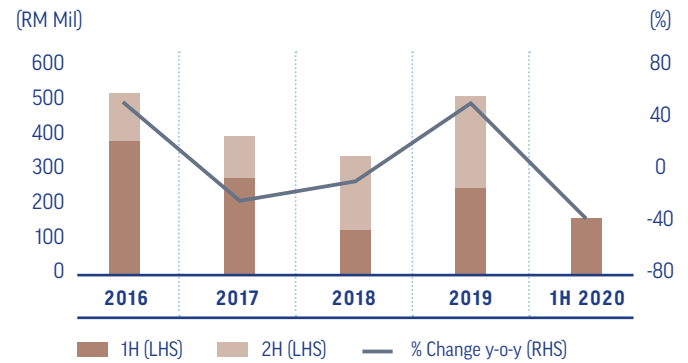
Number of Industrial Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



Value of Industrial Property Transactions in Sarawak (2016-1H 2020)

(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- ♦ The first virtual reality theme park in Borneo, known as D-Virtual Park, was officially launched by the Chief Minister of Sarawak in Kota Samarahan.
- ♦ The state government is mulling over the establishment of an industrial estate in Long Lama and having it included in the 12th Malaysia Plan (2021 – 2025).
- ♦ UDA Holdings Bhd and the Sarawak Economic Development Corporation (SEDC) have inked a joint development agreement for a yet-to-be-named development project located near the Pending Heights industrial area.
- ♦ Under the 12th Malaysia Plan, Pakan town will be extended and made into a new township in the Sarikei Division.
- ♦ The disposal of two land parcels sizing at 405.6 acres to SEDC from Naim Holdings Bhd in Bintulu will enable the development of a petrochemical hub for the region.

KEY FACTS (AS AT 1H 2020)

(Source: Rahim & Co Research, JPPH)

RESIDENTIAL

Supply	221,473 units	↑ 2.0% y-o-y
Transaction Volume	1,651 units	↓ 38.4% y-o-y
Transaction Value	RM562.71 mil.	↓ 39.9% y-o-y

RETAIL

Supply	8.30 mil. sf	↑ 2.0% y-o-y
Occupancy Rate	79.6%	↓ 1.3% y-o-y
Rental	Prime: RM2.50psf – RM27.50psf	

PURPOSE-BUILT OFFICE

Supply	8.61 mil. sf	↓ 2.7% y-o-y
Occupancy Rate	90.1%	↑ 2.5% y-o-y
Rental	Prime: RM1.40psf – RM4.20psf	

SHOP OFFICE

Supply	30,112 units	↑ 1.7% y-o-y
Transaction Volume	186 units	↓ 46.4% y-o-y
Transaction Value	RM101.00 mil.	↓ 53.0% y-o-y

HOTEL

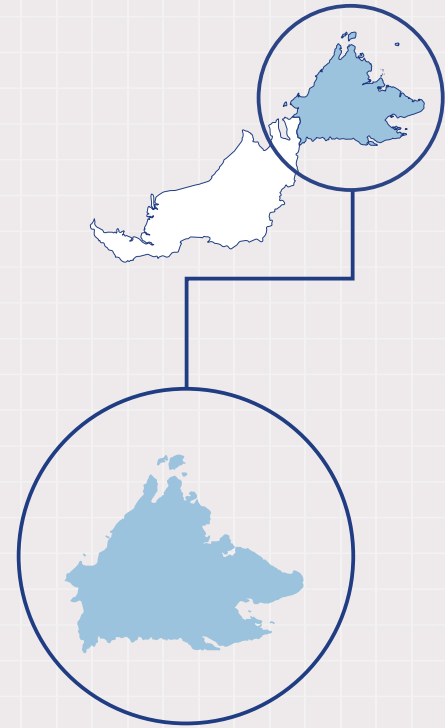
Existing Supply	22,557 rooms	↓ 0.8% y-o-y
Incoming Supply	2,225 rooms	

INDUSTRIAL

Supply	6,189 units	↑ 0.7% y-o-y
Transaction Volume	117 units	↓ 7.9% y-o-y
Transaction Value	RM123.66 mil.	↓ 36.0% y-o-y

Capital: Kota Kinabalu
Est. Population: 3.90 million
Area (km²): 73,904

(Source: DOSM)



SABAH
NEGERI DI BAWAH BAYU

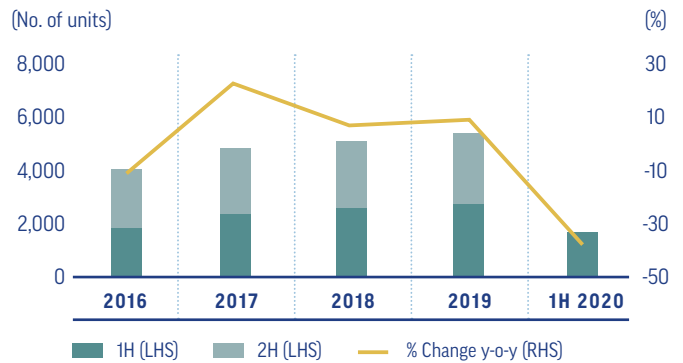
RESIDENTIAL

As with most states in Malaysia, Sabah's residential market had not escaped the unprecedented impact Covid-19 had on the market. With a significant contraction of 38.4% and 39.9% in volume and value of market activities respectively, 1H2020 came in with the lowest market performance since 2016.

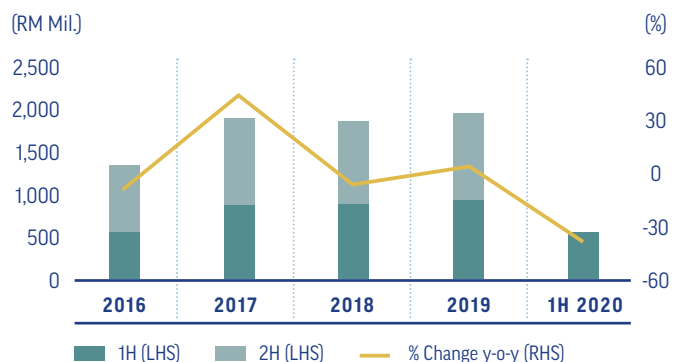
Of the transacted properties, landed homes the likes of terraced, semi-detached and detached are still in favour at 54% transaction share but condominium/apartment are holding strong at 24% as a singular property type; adding further that in 1H2019, condominium/apartment was the biggest contributor to total residential transactions.

By price bracket, properties tagged below RM400,000 continue to hold the market at 75.1% and many falling within the RM100,000 to RM300,000 range. This indicates that buyer preference in Sabah, though slowly opening up to high-rise options, continue to stay on the affordable range. Demand for affordable housing in established and well-connected areas such as Kepayan, Putatan and Penampang remain strong with or without the pandemic complicating things further.

Number of Residential Property Transactions in Sabah (2016-1H 2020) (Source: JPPH)

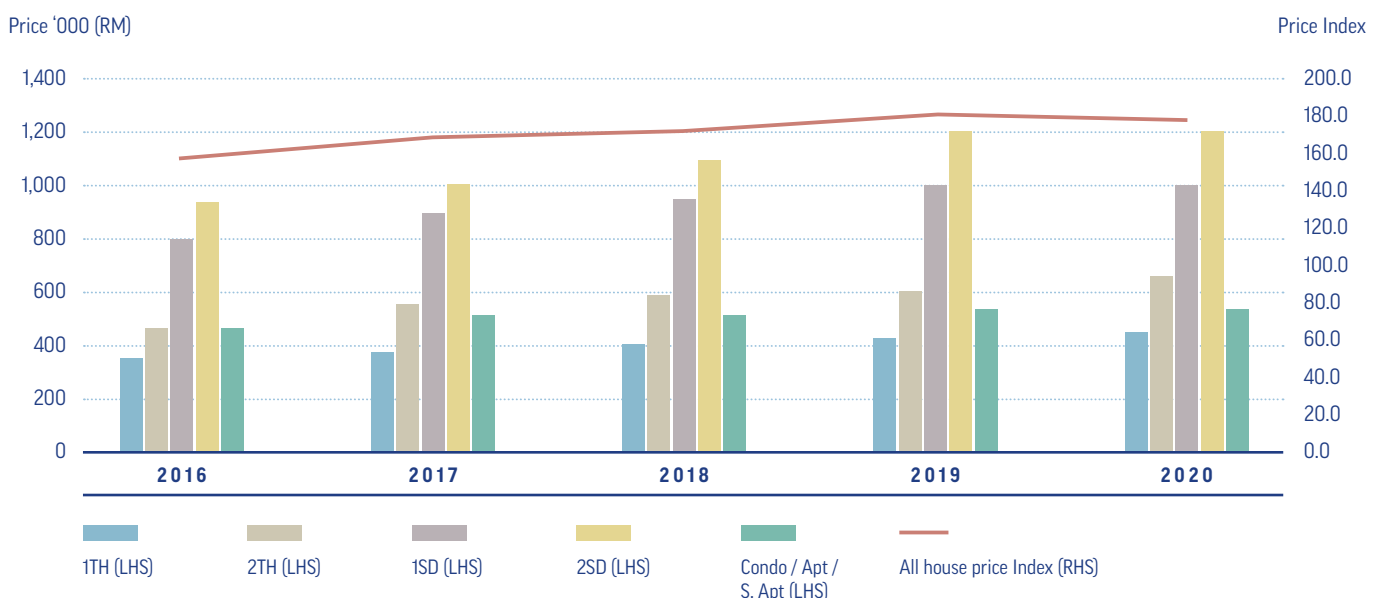


Value of Residential Property Transactions in Sabah (2016-1H 2020) (Source: JPPH)



Kota Kinabalu Residential Property Price Trend & House Price Index (2016 - 2020)

(Source: Rahim & Co Research, IHRM)



Coinciding with lower market activities, housing supply had also only grown a small 2.0% to 221,473 residential properties statewide. By district, Kota Kinabalu, Penampang and Sandakan are the top 3 in housing supply distribution at 63% combined. Being the capital and only city in Sabah, half of the condominium/apartment stock are situated in Kota Kinabalu. As dwelling types under the commercial category, serviced apartment and SOHO units are also mainly found in the capital city – SOHO, as of 1H2020, being exclusively in Kota Kinabalu.

But in the pipeline, high-rise properties are pulling ahead in numbers with condominium/apartment coming in at 14,074 incoming units against landed units at 8,607 units. Adding further are the incoming 2,606 units of serviced apartment and 127 units of SOHO to the housing supply. While this may be good news on diversifying Sabah's residential market, overhang numbers are not in favour of more high-rise injections as 1H2020 numbers put condominium/apartment type at the top with 1,159 unsold and completed units – this represents 75.7% of total overhang stock.

On house prices in 2020, 1-storey terraced units in areas of Taman Tuan Huat, Taman Sri Kepayan and Taman Nelly were transacted at an average RM468,000 whereas 2-storey units in Taman Jindo, Taman Sri Borneo and Millenium Height are tagged at RM651,000 on average.

Condominium schemes like Alam Damai, Marina Court, Bayshore Condominium and Jesselton Condominium commanded prices of between RM500,000 to RM600,000. The Peak Condominium pulls a higher RM670,000. On the lower RM415,000 price tag are Likas Square and 1 Borneo Condominium.

Keeping ahead with the need for affordable housing, the Chief Minister of Sabah has launched a 4,000-unit affordable housing project to be located in Alam Mesra as part of the City Residences development by Wecojaya Sdn Bhd. This follows the mission pursued by the Ministry of Local Government and Housing to providing more affordable housing in Kota Kinabalu. The affordable units are sized at 850sf and all units of City Residences will not be priced above RM300,000 to further encourage homeownership for Sabahans.

Selected Upcoming Residential Properties in Sabah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Jesselton Quay	Kota Kinabalu	Serviced Apartment	698	From RM644,000	2021
Sri Indah Condominium	Sandakan	Condominium	480	From RM400,000	2021
Parklane @ Taman Bukit Sepangar	Kota Kinabalu	2-sty Terraced	115	From RM648,800	2021
Rimbayu Indah (Phase 1A)	Sandakan	2-sty Terraced	56	From RM526,000	2021
Riveria Villas @ Kepayan	Penampang	3-sty Terraced	30	From RM998,000	2021
Taman Aussie Ria (Phase 2)	Tuaran	1-sty Terraced	91	From RM304,000	2021
The Crown	Kota Kinabalu	Serviced Apartment	323	From RM499,000	2022
The Shore	Kota Kinabalu	Serviced Apartment	578	From RM660,000	2022
Triconic Tower	Penampang	Condominium	768	From RM462,000	2022
Jesselton Twin Towers	Kota Kinabalu	Condominium	819	From RM640,888	2022
Bay Suites	Likas	Serviced Apartment	590	From RM350,000	2022
Forest Hill Residences	Bundusan	Condominium	396	From RM450,000	2023
313 Suites	Kota Kinabalu	Serviced Apartment	226	From RM345,800	2023
Alam Pesona	Putatan	Condominium	400	From RM255,000	2023
Vetro II Designer Suite	Kota Kinabalu	Serviced Apartment	260	From RM370,000	2023

Selected Upcoming Retail Malls in Sabah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	AREA (NLA/GFA) SF	EXPECTED COMPLETION
Jesselton Quay	Kota Kinabalu	340,000	2021
The Shore Mall	Kota Kinabalu	N/A	2021
PacificCity Lifestyle Mall	Likas	620,000	2022
360 Boulevard Retail	Bundusan	538,000	2022

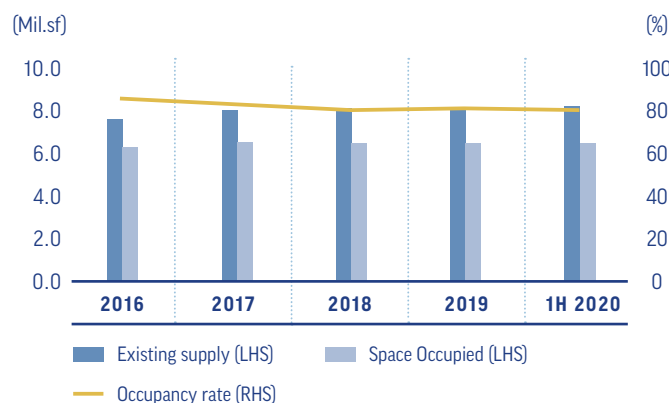
RETAIL

At 1H2020, Sabah's retail mall sector stood at 8.30 million sf of existing retail space with an occupancy rate of 79.6%. Concern of oversupply has been voiced and debated by market observers and with the latest consecutive fall in occupancy rate, the concern bears more weight as it is now below the 80% mark. Of the total space, 1.69 million sf are sitting vacant after an increase of over 135,000 sf within the review period. 72.6% of the retail space is located in Kota Kinabalu, equivalent to 6.03 million sf.

For prime retail malls in Kota Kinabalu, ground rental rates generally go between RM2.50psf to RM27.50psf and of this range, retail malls that have reached up to above RM15.00psf include Centre Point, Kompleks Karamuning, and Wisma Merdeka.

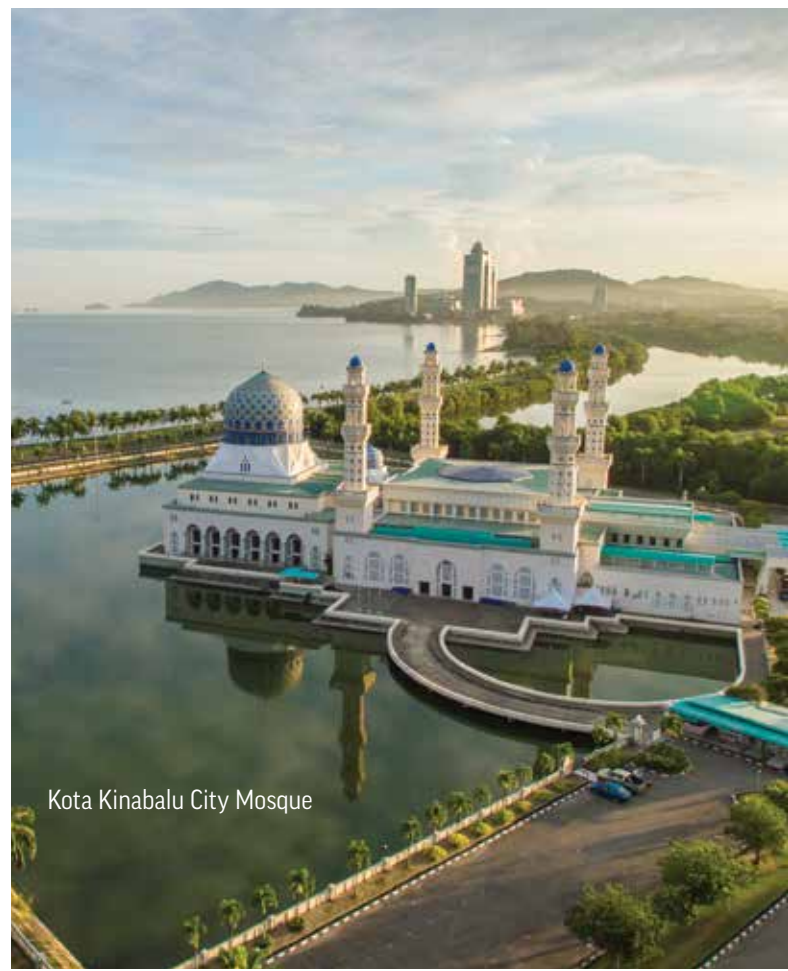
Existing Supply & Occupancy Rate of Retail Spaces in Sabah (2016-1H 2020)

(Source: JPPH)



In 2020, in addition to the two-month long MCO period implemented nationwide that had seen economic activities to down to almost zero, the state of Sabah had unfortunately experienced a second wave of cases that had reached several record-high daily count. This has caused certain areas to be closed off again, including state borders, and had resulted in another local economic disruption.

The township of Inanam was set to welcome its own first retail mall in 2020 but ground observations reveal construction to still be in progress which puts a likely delay in the opening.



Kota Kinabalu City Mosque

“AS THE CAPITAL CITY OF SABAH AND THE FOCUS POINT OF BUSINESS TRADE AND DEALS, OVER 80% OF THE OFFICE STOCK IS IN KOTA KINABALU ALONE”

PURPOSE-BUILT OFFICE (PBO)

As at 1H2020, Sabah’s PBO market stands at a capacity of 8.61 million sf of which 90.1% are occupied, leaving about 850,000 sf vacant. This paints a confident picture of the market with high occupancy rates and low vacant space – an opposite sentiment to the retail mall market. The occupancy rate had in fact improved over the review period by 2.5%, putting demand back above the 90% mark after a short drop in 2019.

As the capital city of Sabah and the focus point of business trade and deals, over 80% of the office stock is in Kota Kinabalu alone amounting to 746 million sf of office space. These office spaces are mainly concentrated in areas like Karamunsing and Likas. No new entrants were recorded for 1H2020 but just over 200,000sf of new office space are currently under construction. These new spaces are located in Kota Kinabalu.

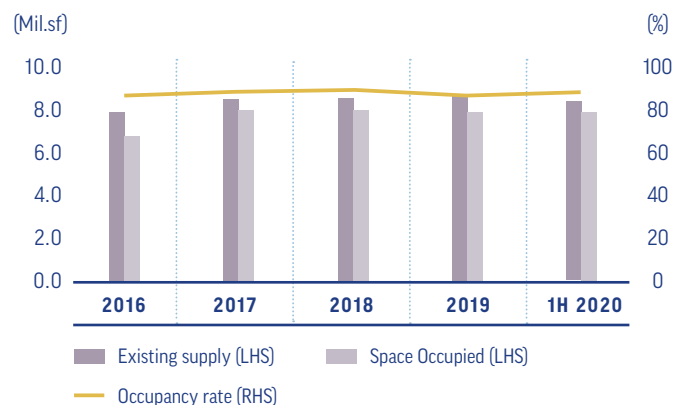
Rental rates of PBO spaces remain stable in Kota Kinabalu and ranges between RM1.40 to RM4.80 psf pm. Plaza Shell and Riverson Suites are the top offices to command rentals over RM4.00 psf pm.



Kota Kinabalu

Existing Supply & Occupancy Rate of Purpose Built Office in Sabah (2016-1H 2020)

(Source: JPPH)



Selected Upcoming Purpose-Built Office in Sabah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	EXPECTED COMPLETION
Pacific Enterprise	Likas	2021
Jesselton Quay Signature Offices	Kota Kinabalu	2021
360 Boulevard Office Tower	Bundusan	2022

Selected Upcoming Shop Offices in Sabah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	TYPE	NO OF UNITS	SELLING PRICE	EXPECTED COMPLETION
Plaza Legacy @ Sulaman	Tuaran	2-sty Shop Offices	53	From RM748,000	2021
Seri Putatan Commercial Centre	Putatan	2&3-sty Shop Offices	22	From RM899,880	2021
Sipitang Commercial Centre	Sipitang	2-sty Shop Offices	26	From RM950,000	2021
Sipitang Walk	Sipitang	2&3-sty Shop Offices	96	From RM799,800	2022

SHOP OFFICE

After a promising recovery in 1H2019, Sabah's shop office market was pushed several steps back with a contraction of 46.4% and 53.0% in volume and value respectively; putting 1H2020's performance at 186 transacted units worth RM101 million.

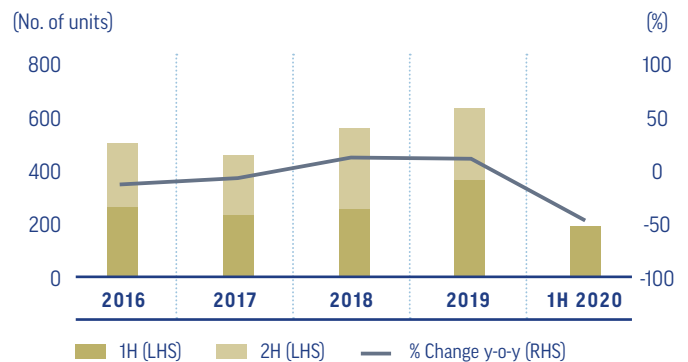
By property type, demand heavily favours the 2 to 4-sty shop offices at more than 90% market share. The supply side mirrors this preference as well with a 92% supply share of 2 to 4-storey types; total shop office supply for Sabah standing at 30,112 units.

Looking at the transacted prices of 2-sty units, most fell between the price range of RM200,001 to RM600,000. Kota Kinabalu saw more transaction activities for 3 to 4-storey units with prices mostly tagged at RM500,000 to above RM1 million.

In new future injections, the shop office market is anticipating another 1,833 units that are on its way to completion and as per existing trend, a significant portion are 2 to 3-storey types. But when seeing this against overhang numbers, there is concern of new entrants adding on more weight to the unsold burden considering 1H2020 comes up to 510 overhang units – an increase from 1H2019 at 481 units.

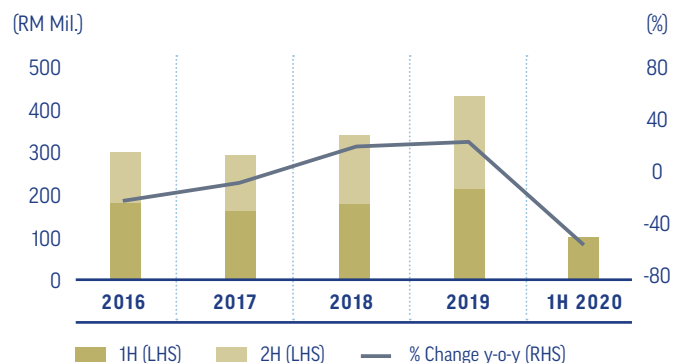
Number of Shop Office Property Transactions in Sabah (2016-1H 2020)

(Source: JPPH)



Value of Shop Office Property Transactions in Sabah (2016-1H 2020)

(Source: JPPH)



HOTEL

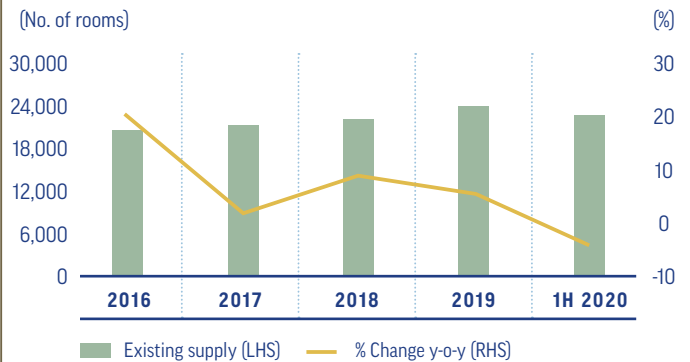
After having endured the first six months of 2020 and ridden by the Covid-19 pandemic, Sabah's hotel sector came through to 1H2020 with 408 hotels, amounting to 22,557 rooms across the state. But the sector had taken several hard hits during these six months which had resulted in closures of hotel establishments.

One of the notable establishments to have shut its doors in 2020 was the Four Points by Sheraton Sandakan with reasons that operations were no longer feasible due to lack in demand. Another hotel soon followed with its own closure after having operated for the past 54 years. The family-run Nak Hotel was proven to no longer be sustainable as tourism was closed off in effort to curb the spread of Covid-19.

With the sector still fighting to survive as local and international borders remain on guard to contain the spread of Covid-19, developers and hotel operators are

Existing Supply of Hotels in Sabah (2016-1H 2020)

(Source: JPPH)



holding tight to hopes of quick recovery once the vaccine has been found and distributed to reopen tourism borders. With an incoming supply of 2,225 new hotel rooms currently under construction, it remains to be seen if the new establishments will be able to thrive upon their completion amidst pre-existing hotels already fighting to regain their losses.

Selected Upcoming Hotels in Sabah

(Source: Rahim & Co Research)

DEVELOPMENT	LOCATION	STAR RATINGS	NO OF ROOMS	EXPECTED COMPLETION
Jen Hotel	Likas	3	440	2021
Citadines Waterfront Kota Kinabalu	Kota Kinabalu	N/A	222	2021
Crowne Plaza Kota Kinabalu Waterfront hotel	Kota Kinabalu	N/A	367	2022
Hyatt Centric	Kota Kinabalu	5	226	2022
AVANI Hotels & Resorts	Jalan Lintas	N/A	378	2022
New World Kota Kinabalu Hotel	Karamunsing	5	400	2022
Doubletree by Hilton	Kota Kinabalu	5	237	2022
Club Med Borneo	Kuala Penyu	N/A	400	2022

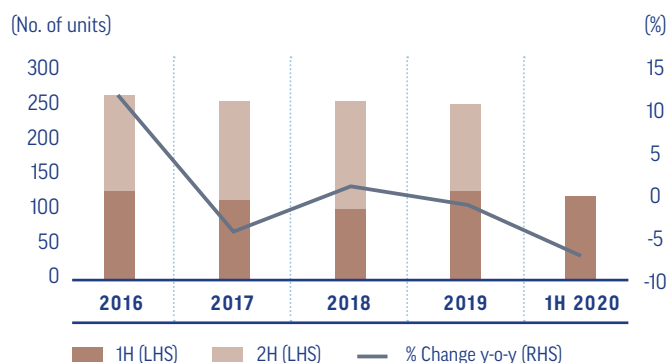
“THE INDUSTRIAL SECTOR OF SABAH HAD STAYED RESILIENT AGAINST MARKET FALL CAUSED BY COVID-19 AS SEEN BY THE SMALL DROP OF 7.9% IN VOLUME OF TRANSACTION”

INDUSTRIAL

The industrial sector of Sabah had stayed resilient against market fall caused by Covid-19 as seen by the small drop of 7.9% in volume of transaction though value come out with a bigger drop of 36.0% - signaling demand to have shifted in lower price tags. This resilience bodes higher chances of market performance remaining steadily above 200 transacted units as seen from 2016.

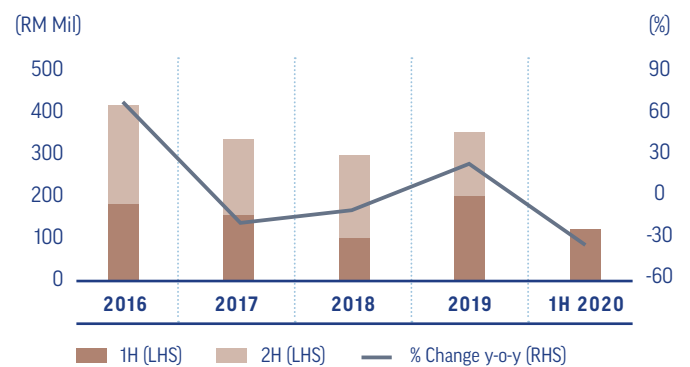
Industrial property stock as at 1H2020 is at 6,189 units with 88.7% being terraced and semi-detached factories/warehouses. Kota Kinabalu and Tawau are the top two districts in supply count as attributed to both being key industrial spots for the state. Future injections are at 308 units currently under construction and will be in the districts of Kota Kinabalu, Lahad Datu, Papar and Penampang.

Number of Industrial Property Transactions in Sabah (2016-1H 2020)
(Source: JPPH)



Though still small in number, overhang industrial units have more than doubled to 67 units over the span of 12 months, carrying a total value of RM121.8 million.

Value of Industrial Property Transactions in Sabah (2016-1H 2020)
(Source: JPPH)



NOTABLE ANNOUNCEMENTS

- ♦ Sandakan may well be on its way to achieving the city status by 2021 as stated by the Minister of Housing and Local Government. Upon its success, Sandakan will be Sabah's second city after Kota Kinabalu.
- ♦ After gaining approval by the federal government, a proposal to build a bridge connecting Labuan to the mainland has been further presented to the Cabinet for approval.
- ♦ Jesselton Twin Towers by Jesselton Waterfront Holdings is expected to reach completion in 2022 with an offering of two, 56-storey block condominiums and a commercial annex.



THE YEAR AHEAD

MARKET CONFIDENCE IS EXPECTED TO RETURN GRADUALLY IN THE LATER PARTS OF 2021 AND INTO 2022 AS BUYERS, FINANCIERS AND DEVELOPERS ARE ALL ON CAUTION MODE. BUT EVEN AFTER THE PANDEMIC IS SUCCESSFULLY CURBED, PRE-EXISTING PROBLEMS ARE STILL PRESENT BENEATH THE SURFACE.

While 2019 showed promising signs for the property market after having undergone a slump in 2015 to 2017, hopes of further recovery in 2020 were significantly dashed by the Covid-19 pandemic. Overall market transaction activities in 1H 2020 fell by 27.9% in volume and 31.5% in value, bringing numbers down to 115,476 transacted units worth RM46.94 billion. Malaysians suddenly find themselves in an even more difficult environment of having to strive against the pandemic on top of the pre-existing property market challenges, coupled by global economic challenges, geopolitical tensions and domestic uncertainties.

Looking forward, prospect for 2021 remains to be challenging but with some glimpses of light. There was some positivity on the market sentiment rollercoaster as by end-2020, early productions of vaccine were approved and distributed to the public in selected countries. With the presence of a vaccine, the likelihood of borders reopening and international trading & travel is higher, uplifting the general consumers' confidence and sentiment which are key to economic growth. But even so, there may still be several more setbacks as Covid-19 cases had resurged in the later parts of 2020, causing countries like the UK, Australia and Europe to re-implement lockdown measures over the Christmas holidays right through to the New Year.

In order to strengthen and sustain the nation's economic recovery and to regenerate its growth momentum, a record-high RM323 billion expansionary Budget-2021 was announced on November 6th 2020. After being heavily debated in parliament before nail-bitingly passed, the budget would complement the PRIHATIN and PRIHATIN SME PLUS economic stimulus packages worth RM260 billion, as well as the RM35 billion PENJANA package and RM10 billion KITA PRIHATIN package announced earlier in the year. Many are of the opinion that if such supportive measures by the government were not introduced, the economic situation could have been worse. The automatic loan moratorium that spanned from 1 April to 30 September 2020 had given the market much relief when income and employment were plagued with uncertainties. The economy had already shrunk 6.4% in the first nine months of the year with the biggest contraction of 17.1% in the second quarter, and is forecasted to contract between 3.5% to 5.5% for the year.

On the prospect of recovery in 2021, Bank Negara Malaysia forecasts GDP growth to rebound between 6.5% to 7.5% and both the World Bank and the International Monetary Fund (IMF) have forecasted within that range at 6.7% and 7% respectively. After unemployment rate peaked at 5.3% in May 2020 and hovered between 4.6% to 4.7% in the third quarter of the year, stability of the labour market is expected to improve in line with the economic growth recovery projected for 2021. Although movement of the property sector may take more time, the steady improvement in sentiments coupled with the reportedly better-than-expected numbers in loan servicing numbers post-moratorium (up to the end of 2020) gives a better chance of re-kindling the market.

As the largest segment of Malaysia's property market, the residential sector was negatively affected as all states recorded contractions in transaction activities ranging between 20% to 30%. Residential transactions nationwide had fallen by 24.6% in volume and 26.1% in value to 75,318 units worth RM25.16 billion. This comes after 1H 2019 recording the best growth performance in the past few years which had fuelled bigger hopes for 2020 but it was not to be. To help boost the residential market back up to its recovering pace, initiatives such as the reintroduced Home Ownership Campaign via PENJANA were implemented in 2020 and stretches through to the first half of 2021. The benefits offered through this program includes the exemption of stamp duties on instruments of transfer and loan agreements with mandatory discount by participating developers at a minimum of 10%. The

government had also implemented the relaxation of Loan-to-Value ratio and RPGT exemption and so when coupled with the low interest environment, the residential sector is expected to receive the boost it needed. While the goal of home buying may have taken a step back in place of other expenditures with higher priorities, demand for housing is still much alive for the right product at the right place and at the right price.

Post-crisis times would be the chance for bargain hunters to look out for the best deals, especially with the expiration of loan moratoriums. So far, the market still commands a healthy holding power with impaired loans levels still under control. Many expect the first quarter of 2021 to be the test on how the market would shape itself after the conclusion of the extended targeted moratorium period. Not forgetting that the underlying drivers for the property market is not just domestic-based but also notably reliant in foreigners' participation and international markets.

The affordability factor continues to be a top priority in homebuyers' mind as 61.9% of residential properties transacted are for properties priced below RM300,000, which is the general benchmark of an affordably priced home. Developers too have gradually shifted their launch prices to suit this demand as 50% of the newly launched units in 1H 2020 were priced below RM300,000 in comparison to 2016 which was at a lower 37% share. Focus on affordable pricing is expected to continue as disposable income levels lag behind house prices. However, there are some concerns of an affordable housing oversupply should building approvals and construction outstrip real demand.

In the thick of the pandemic, we should not forget the pre-existing challenges that remain to be solved - market oversupply, overhang, high prices, income levels and affordability. These persisting issues require a more systemic approach for a sustainable solution with the involvement of all stakeholders. Such evidence of the issues is the ever-growing burden of overhang dwelling units (including serviced apartment and SOHO types) which has reached 55,415 units worth RM39.69 billion. Adding a layer of complexity to this completed-yet-unsold units number is the improvement seen in unsold units that are under-construction or yet-to-be-constructed, suggesting a deeper root cause of the overhang problem. Part of the solution includes a more informed-decision for project planning and approvals through independent market studies as well as a robust and transparent data system for the market.

Moving on to the commercial segment, the office market had its own fair share of disruption with the more prevalent practice of remote working – be it from home or co-working spaces – while still maintaining social distancing. This bigger shift to online communications and workings pushes the reliance on sufficient and up-to-date technology infrastructure even higher as virtual meetings and cloud-based-operations became the new norm. Following this trend, demand for office spaces is expected to evolve. Demand for physical office space may seem to be under pressure currently but new trends that will require better space distribution to minimise overcrowding may fuel for a newer generation of office space. On the long-run, physical offices or work spaces will co-exist with home-offices and co-working environment in forming a new synergy and a new work culture. Strategic business addresses has its credibility and reputation though future demands may be for smaller bites with more flexibility in design and configuration.

As the epicentre of office spaces for the country, the Klang Valley holds almost 60% of total office space supply at 143.1 million sf and is still growing, but has seen a drop in occupancy rate to 75.4%, leaving 35.2 million sf of vacant office spaces. Taking into consideration of another 18.0 million sf of new office spaces currently in the pipeline and under construction, Klang Valley's office market is looking at a more saturated outlook and take-up rates may take a longer period. Even with the intensified incentives offered by landlords in order to maintain their building's attractiveness and competitive edge, yields continue to be under pressure.

The retail sector too had faced its own challenges - losses in foot traffic, impeded visitors movement and tenants struggling to make ends meet. While physical retail activity had resumed once the Movement Control Order (MCO) restrictions were eased, visitors foot traffic returned at a slower pace as people were still very wary of crowded spaces and diligently keeping social distancing. Rather than physically visiting a store or eatery, online purchasing and delivery became the top choice with e-commerce booming during the MCO period. In helping their respective tenants to remain in business, several mall operators had provided a rent waiver for its tenants. These, as reported by the media, include Sunway Malls, Pavilion REIT and Mydin Mohamed Holdings Bhd. With Covid-19 still plaguing the world, a subdued crowd environment will likely to continue in 2021. Looking forward post-pandemic, both the physical and online aspect of retailing will continue to work alongside and complement each other

as nothing beats the experiential aspect of consumerism and the convenience of 24/7 access to online shopping.

The leisure and hotel market that are traditionally impacted by seasonal influences see another factor come into play - the degree of movement control imposed. After being quiet for most parts of the year, the windows for interstate travels had resulted in domestic tourists spikes as travellers look forward to get away from home. The outlook is very much dependent on the travel controls for both domestic and international tourists that is contingent on the timing and the success of vaccine implementation.

Quoted by some to be a silver-lining amidst the pandemic-ridden property market, the industrial sector had its own opportunity to thrive. Encouraging growth was seen for the warehousing and logistics segment following the boom of e-commerce as the default means of shopping during the movement restriction period. Aside from the surge in the glove and face mask manufacturing, the industrial sector had remained relatively stable in demand and the fall in market activities was primarily due to the temporary market freeze - and once uplifted, business had resumed or grew better for some. Moving onwards, warehousing and logistics is expected to continue to be in the limelight. A full-facilities industrial park that are professionally managed is the prime choice in industrial property investments as investors and companies are more diligent in looking at total operations costs of a facility together with manpower management and enhanced productivity, on top of being the best value-for-money offer in the market.

The year 2020 was without a doubt a year of endurance and difficulty due to a pandemic that is still ongoing (at time of writing). But amidst these trying times, rays of potential recovery is seen in short bursts when restrictions were temporarily lifted. With the vaccine still yet to be widely available to nations across the globe, it will take time for our market to re-engage with the recovery path seen in 2019. Market confidence is expected to return gradually in the later parts of 2021 and into 2022 as buyers, financiers and developers are all on caution mode. But even when the pandemic is successfully curbed, pre-existing problems are still present beneath the surface. We learned how unprepared we were in the event of a global-scale crisis but, in making lemonade of the lemons being thrown at us, Malaysia still holds strong in gaining back what's lost and getting back on track to thrive as one of the best investment and leisure destinations.

GLOSSARY

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

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

JPPH	Jabatan Penilaian & Perkhidmatan Harta, Kementerian Kewangan Malaysia
Km²	Square kilometre
LHS	Left hand scale
Mil	Million
NLA	Net lettable area
PBO	Purpose built office
Pop	Population
Psf	Per square foot
Psf pm	Per square foot per month
Q1/1Q	First quarter
Q2/2Q	Second quarter
Q3/3Q	Third quarter
Q4/4Q	Fourth quarter
q-o-q	Quarter on quarter
RHS	Right hand scale
RM	Ringgit Malaysia
S.Apt	Serviced apartment
sf	Square feet
SOFO	Small office flexible office
SOHO	Small office home office
SOVO	Small office versatile office
Sty	Storey
y-o-y	Year on year

EXPLANATORY NOTE

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

DIRECTORY OF OFFICES

KUALA LUMPUR (Head Office)

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

Cheras

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

Kepong

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

SELANGOR

Petaling Jaya

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

Klang

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

Subang Jaya

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

JOHOR - Johor Bahru

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

KEDAH

Alor Setar

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

Sungai Petani

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

KELANTAN - Kota Bharu

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

MALACCA

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

NEGERI SEMBILAN – Seremban

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

PAHANG

Kuantan

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

Temerloh

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

PERAK - Ipoh

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

PERLIS – Kangar

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

PULAU PINANG

Penang Island

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

Butterworth

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

TERENGGANU

Kuala Terengganu

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

Kemaman

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

SABAH

Kota Kinabalu

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

Tawau

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

SARAWAK – Kuching

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

www.rahim-co.com



Rahim & Co Research Sdn Bhd

Reg. No: 199001008566 (200137 - X)

Level 17, Menara Liberty

1008 Jalan Sultan Ismail

50250 Kuala Lumpur, Malaysia

T +(60 3) 2691 9922

F +(60 3) 2691 9992

E research@rahim-co.com