

# ISSUE 236

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## CORPORATE REAL ESTATE HIGHLIGHTS

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# Property transaction value hit record RM179b in 2022

## — Napic

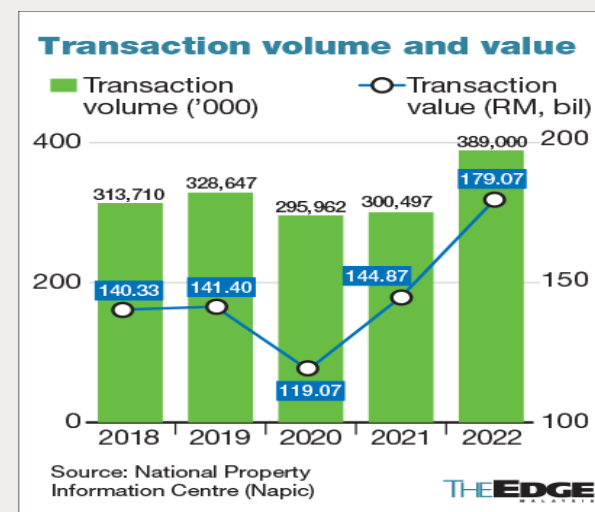
Malaysia's total property transaction value hit RM179.07 billion in 2022, the highest-ever value recorded by the National Property Information Centre (Napic) since 2001.

Last year's transaction value was 23.6% year-on-year (y-o-y) higher than RM144.87 billion posted for 2021.

As for total transactions, the 2022 tally also saw double-digit growth, increasing by 29.5% y-o-y to 389,000, from 300,497 transactions in 2021, Napic said in a statement in conjunction with the release of its Property Market Report 2022.

Napic director Aina Edayu Ahmad said the strong economic growth last year bolstered the growth in the property market. "The homeownership campaign also helped to boost property market activities," she told a press conference.

Commenting on the outlook for the property market this year, Aina said it depends on market sentiment, especially from property developers and households. The property market performance is expected to grow in line with the moderately lower economic growth projected for 2023, given the unpredictable external environment. [READ MORE](#)



# Malaysia's overhang residential units dip below 30,000 for first time in two years

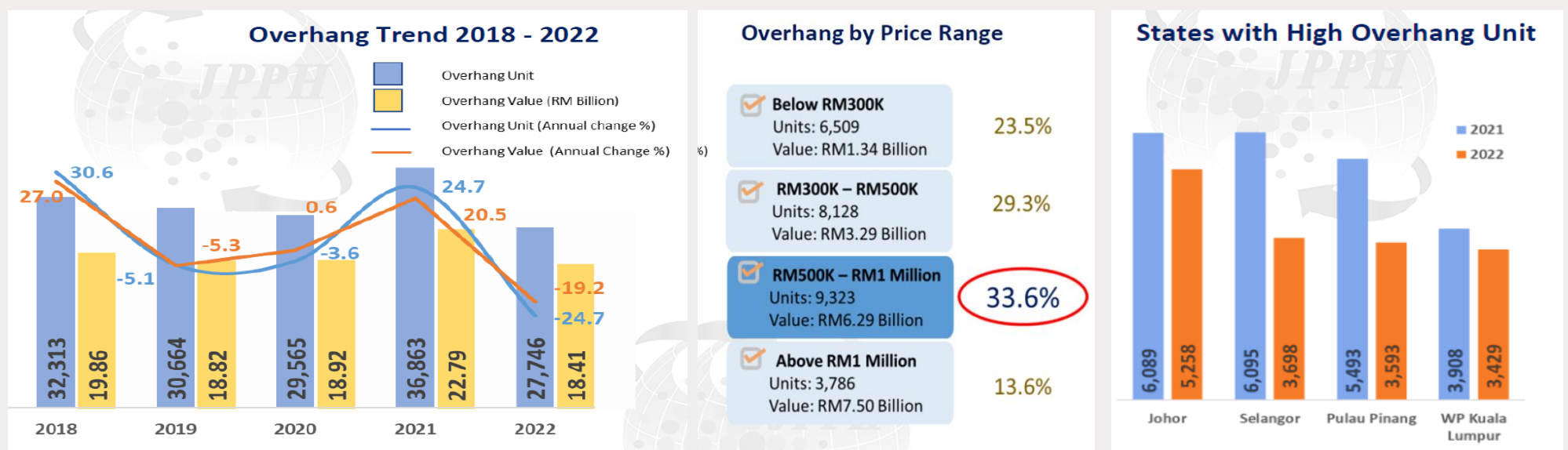
Malaysia's residential property overhang units dropped below the 30,000-mark for the first time in two years in 2022 amid strong growth charts in total transaction volume and value in the property market.

A total of 27,746 overhang units were recorded in 2022, declining by 24.7% year-on-year (y-o-y) compared with 36,863 units in 2021. Total overhang value also shrank 19.2% y-o-y to RM18.41 billion, from RM22.79 billion during the same period, according to the National Property Information Centre (Napic) in its Property Market Report 2022 released on Wednesday (March 15).

2022 saw the lowest residential overhang and unsold units in the property market over the five-year period starting 2018. The previous low was in 2020, where 29,565 residential units were unsold after one year of completion, with a total value of RM18.92 billion.

Notably, the total residential overhang units in 2022 are led by those priced between RM500,000 and RM1 million at 33.6%, followed by RM300,000 to RM500,000 (at 29.3%) and below RM300,000 (at 23.5%) categories.

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# Radium to develop 2 housing projects worth RM1.52bil this year

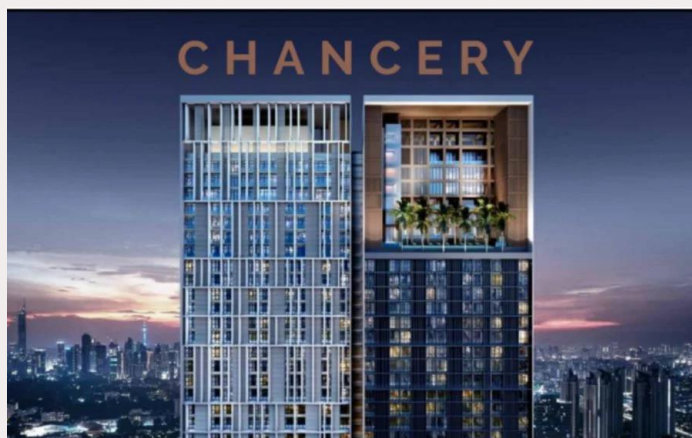
Property developer Radium Development Bhd will focus on developing two housing projects in Kuala Lumpur with a cumulative gross development value (GDV) of RM1.52 billion in 2023.

Chairman Tan Sri Mhd Amin Nordin Abdul Aziz said these projects are the R Suites Chancery Residences (Chancery) in Ampang with a GDV of RM521 million, and an upcoming development in Salak South/Sungai Besi with an estimated GDV of RM1 billion.

Launched early this year, the 51-storey Chancery, which is developed on 0.88 hectare of land, consists of 944 residential suites, commercial spaces, and exclusive amenities as well as a 145-room hotel managed by a well-known private hotel brand.

In an interview with Bernama, he said the project is expected to be completed by the fourth quarter (4Q) of 2025, well ahead of the contractual date of 4Q 2027 approved by the Ministry of Housing and Local Government.

Meanwhile, the development in Salak South/Sungai Besi is targeted to be launched in the second quarter (2Q) of 2023 and consists of two property components, namely urban residences, and affordable homes with 1,218 units for each component. [READ MORE](#)



# LYC Healthcare buys Cheras properties for RM4.5mil

LYC Healthcare Bhd has proposed to acquire three units of 1½ storey light industrial factory in Cheras for RM4.5mil cash.

In a filing with Bursa Malaysia, LYC said its subsidiary, Aqurate Ingredients Intl (M) Sdn Bhd had entered into a sale and purchase agreement (SPA) with Golden City Development Sdn Bhd (GCDSB) for the proposed acquisition.

LYC said three units measured a total of 622 square metres.

The group said the proposed acquisition may enable Aqurate to expand its business operations and ensure long term sustainability of operations and prevent any risk of any operations downtime

Aqurate is currently carrying out its day-to-day operations out of its premises which is located adjacent to the target properties.

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# Haily bags RM33 mil job to build houses in Johor, sees stronger year in 2023

Haily Group Bhd has secured a RM32.67 million contract to build 186 units of single-storey terrace houses in Bandar Putra Kulai, Johor.

The group said the contract was awarded to its wholly owned subsidiary Haily Construction Sdn Bhd by JYP Architects Sdn Bhd on behalf of Nice Frontier Sdn Bhd, a member of the IOI Properties Group Bhd.

The construction is expected to be completed in 15 months or by June 26, 2024, Haily said in a Bursa Malaysia filing. It said the award is expected to contribute positively to the group's earnings and net assets over the duration of the project.

Haily founder and executive director See Tin Hai noted that in less than three months of this year, the group has secured total contracts worth RM148.79 million.

"With just these contracts, we are pleased to announce that we have exceeded the contract value secured in the entire [of] last year.

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# Sunway REIT confirms in talks to buy retail assets from EPF, to ink agreement 'as soon as possible'

The manager of Sunway Real Estate Investment Trust (Sunway REIT) has confirmed that it is in talks to buy retail assets from the Employees Provident Fund (EPF), saying negotiation of terms are still in progress.

While it cannot confirm the terms of the agreement as talks are still ongoing, the REIT said in a filing that it expects to — subject to agreement of terms and the board's final approval — enter into an agreement with the EPF "as soon as possible but we are unable to confirm the timing at this juncture due to ongoing negotiations".

It was responding to a query from Bursa Malaysia Securities Bhd over an article by The Edge Malaysia, which wrote that Sunway REIT is expected to sign a deal to buy six retail assets worth a combined RM500 million from the EPF. Citing sources, the weekly said that the parties might be inking a deal as early as this week.

The Edge reported in its publication for the week of March 13–19 that the REIT is in the midst of a deal to buy the retail assets from the EPF, and that five of the stores are in Klang Valley, while one is in Johor.

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# Selangor announces incentives to spur investments into Integrated Development Region in South Selangor

The Selangor government has introduced five incentives to drive investments into its Integrated Development Region in South Selangor (Idriss).

They comprise a special premium scheme, interest-free instalment payment for development charges, tax exemption for vacant land assessment, a 50% discount on the vacant building assessment tax, and business license fee exemption, according to Selangor Menteri Besar Datuk Seri Amirudin Shari.

“To further boost development projects in Selangor, the state government also gave consideration and approved incentives for Idriss,” Amirudin said in his address at the launch of Idriss here on Wednesday (March 15).

Idriss, first outlined under the First Selangor Plan 2021–2025, is expected to catalyse the development in the southern part of the state. The development involves an area spanning 40,000 acres (20,000ha) in the Sepang and Kuala Langat districts, with an estimated gross development value of RM1 trillion.

Amirudin also announced several additional incentives for the development of the Managed Industrial Park (MIP) to facilitate investments in Selangor, including fast-tracking processes and approval periods, as well as assessment tax and business license fee exemptions. [READ MORE](#)



# Earthworks involving construction of data centre over 50% complete, says Melaka exco

Earthworks for the construction of a data centre belonging to a Hong-Kong based company in Ayer Keroh here is now more than 50% complete, the Melaka State Legislative Assembly was told on Wednesday (March 15).

The state's Investment, Industry, Entrepreneur Development and Cooperatives Committee chairman Datuk Seri Ab Rauf Yusoh said the Malaysian Investment Development Authority (Mida) was responsible for overseeing the company's investment project.

"After Amazon (Wealth Services) chose another location as their investment centre in Malaysia, a Hong-Kong-based company related to data centres [showed] interest and chose Melaka to invest and even bought a piece of land in Ayer Keroh.

"Mida is encouraging them to operate in Melaka, and this project will give returns to the people, especially in the field of information technology," he said.

Ab Rauf said that until December last year, Melaka recorded an investment value of RM8.5 billion in domestic and foreign investments, involving sectors such as manufacturing, agriculture, commodities and services, electrical and electronics and petroleum products, among others. [READ MORE](#)



# MB: Land swap deal for stadium redevelopment to be of fair value

Selangor government expects the planning permission to redevelop the Shah Alam Sports Complex (KSSA) to be issued in April.

Menteri Besar Datuk Seri Amirudin Shari said the state government was currently evaluating the overall cost of the redevelopment project.

The entire project on a 69.53ha area would involve Stadium Shah Alam, Stadium Malawati and other elements, he said.

“About 50% of the area will be developed with sporting facilities, 30% dedicated for parks and greenery, while the remaining 15% to 20% is for utilities and commercial purposes.

“The entire commercial portion will be given to the state government to manage and administer,” said Amirudin in reply to a question by Lee Kee Hiong (PH–Kuala Kubu Baru) at the state legislative assembly sitting in Shah Alam.

He had previously said the KSSA redevelopment project would be carried out through a public–private partnership deal. The developer will bear the construction cost and be compensated by way of a land swap. [READ MORE](#)



# Co-working space operator Jerry continues to expand

Jerry, the affordable co-working space under co-working space provider Colony, continues to expand its presence this year. Since its maiden venture in 2021, it has been operating in Taman Tun Dr Ismail (TTDI), Sri Hartamas and Damansara Heights in Kuala Lumpur and SS2, SS15 and Damansara Uptown in Petaling Jaya, Selangor. Its latest offerings this year are in Kuchai Lama and Wangsa Maju in KL.

According to Colony and Jerry co-founder Timothy Tiah, the two brands have separate branding and positioning elements. Colony is service-oriented and focuses on customer service, while Jerry is entirely automated.

“We believe there is a market for co-working spaces for both high-end and affordable demand. [Many co-working spaces are] not making money because they operate at the medium-end, which is very price sensitive and, therefore, there is always a price war,” Tiah tells City & Country in an interview.

“We had the idea before the MCO (Movement Control Order) because we wanted to cater to two different market segments. We saw the opportunity for the mass market but we wanted it to be much cheaper than the mid-end ones. “Co-working spaces at an affordable range is a volume game. The more outlets we open, we can make a profit ... We need economies of scale to make money. [READ MORE](#)



**jerry.**  
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# Nga Kor Ming: All new projects of Local Government Development Ministry need feasibility study

Beginning this year, the Local Government Development Ministry will require all its new projects to undergo a feasibility study to prevent them from turning into white elephants.

Minister Nga Kor Ming said it was important for feasibility studies to be conducted independently and professionally to ensure the new projects could meet the criteria set.

“In fact, with this new approach, there will no longer be white elephants, or projects which were abandoned like before,” he told a press conference after closing the Local Authorities (PBT) Convention 2023 themed “Madani Municipalities–Prosperous People” here today.

He said this when asked about the seriousness of the white elephant issue as a result of lack of public involvement in the projects. Nga said the ministry would do its best to save white elephant projects which had been abandoned.

According to Nga, the ministry was now focusing on upgrading existing facilities like public markets as the country marched towards developed nation status. Nga gave an assurance that the ministry would hold engagement sessions with all stakeholders, especially active non-governmental organisations (NGOs), to prevent a recurrence of the implementation of unwanted projects. [READ MORE](#)

