

ISSUE 263

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CORPORATE REAL ESTATE HIGHLIGHTS

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Property market registers deals worth RM57b in Q3 2023

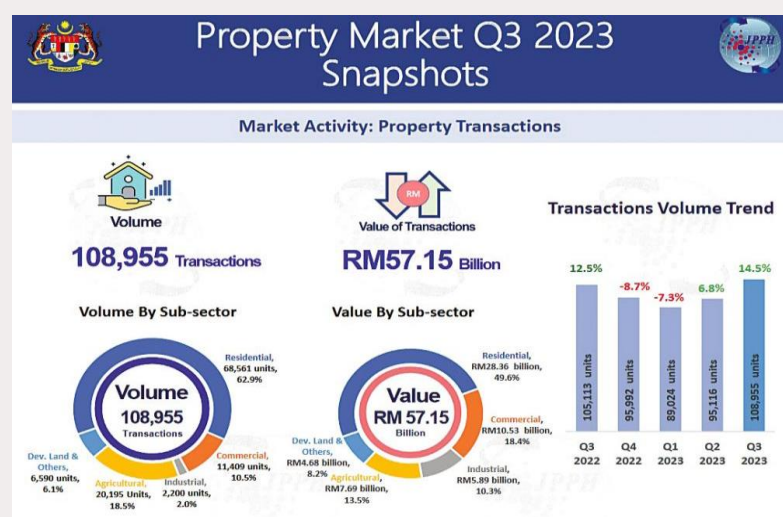
In the third quarter of 2023, Malaysia's property market witnessed over 100,000 transactions totaling RM57.15 billion, reflecting a 3.7% increase in volume and a 22.6% increase in value compared to the same period in 2022.

Residential property dominated the market with a 62.9% share, recording 68,561 transactions worth over RM28 billion. Notably, the agricultural sub-sector saw a significant 52.3% increase in transactions, leading the sub-sectors.

The primary market experienced a boost with nearly 6,900 new launches, showing a 37.6% sales performance.

Residential overhang decreased by 3.7%, totaling 25,311 units worth RM17.4 billion. Johor led in overhang numbers. The serviced apartment segment saw a marginal decline in overhang units.

Residential construction activity recorded a decrease in starts and planned supply, while completions increased by 14.4%. The Malaysian House Price Index stood at 212.6 points, with a marginal annual growth of 0.1%. [READ MORE](#)



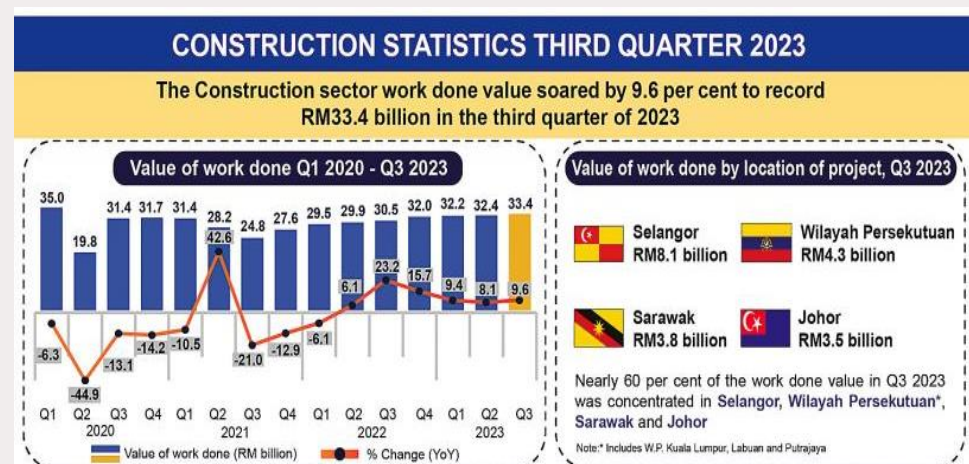
DOSM: Construction sector expands 9.6pc to RM33.4b in Q3 2023

In the third quarter of 2023, Malaysia's construction sector witnessed a robust 9.6% year-on-year increase in work done value, reaching RM33.4 billion, marking the sixth consecutive quarter of positive growth.

The momentum was fueled by a 17.1% surge in the civil engineering sub-sector and a 16.2% increase in special trade activities. Residential buildings also contributed with a 7.9% growth. Non-residential buildings, however, experienced a marginal decline of 0.7%. Of the total, civil engineering accounted for RM13.5 billion, primarily driven by road and railway construction.

The private sector led growth with an 8.6% increase, contributing RM19.6 billion, while the public sector rebounded strongly with a 10.9% growth, totaling RM13.9 billion. Selangor, Federal Territories, Sarawak, and Johor concentrated nearly 60% of the total work done value.

Overall, the construction sector's positive trajectory continued, with a 9.0% increase for the first three quarters of 2023 compared to the same period in 2022. [READ MORE](#)



Bank Negara: Malaysia's economy grew 3.3pc in third quarter fuelled by strong spending

Malaysia's economy grew 3.3% in the third quarter, performing better than expected in a positive momentum from the previous half of the year built on the back of stubborn consumer spending despite weaker global trade.

Bank Negara Malaysia (BNM) said today the July–September period performance improved on a quarterly basis, registering growth from the second quarter with the expectation that household spending would remain the anchor for growth.

“Weaker external demand is cushioned by resilient domestic spending,” BNM governor Datuk Abdul Rasheed Ghaffour said at a media briefing here today.

Data on household consumption shows consumers have not wavered from spending, buoyed by record–level confidence of businesses to expand hiring.

BNM said the labour rate participation is at a historical high, at 71%, as companies showed an appetite to grow their workforce.

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KLSP2040 identifies 139 KL sites for redevelopment over a 20-year period

The Kuala Lumpur Structure Plan 2040 (KLSP2040) has unveiled 139 potential redevelopment locations in the city over the next two decades.

Aimed at enhancing Kuala Lumpur's attractiveness for investment and creating a more appealing environment, the plan focuses on brownfield areas with limited economic use, aging industrial sites, and locations influenced by transit infrastructure and river conservation investments.

The redevelopment initiatives, with an estimated GDV in the billions of ringgit, target various transit zones and brownfield sites. The plan emphasizes detailed design for sustainable and livable development, aspiring to create an integrated, inclusive, and low-carbon built environment.

KLSP2040, replacing PSKL2020, prioritizes economic, social, environmental, and cultural aspects through six primary goals, envisioning Kuala Lumpur as a world-class and sustainable hub for the future. Notable areas for potential rejuvenation include Medan Pasar, Jalan Tangsi, Kuala Lumpur Railway Station, and Pasar Sungai Besi.

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Putrajaya urged to review 'outdated and arbitrary' housing affordability rule based on 30% of income

Ipsos Malaysia is advocating for a reassessment of Malaysia's 30% housing expense-to-income rule, deeming it "outdated and arbitrary."

The current threshold, which labels homes as unaffordable if households spend more than 30% of their income on them, is not reflective of Malaysian households' needs, according to Ipsos.

A recent study in Selangor, conducted in collaboration with Sunway University, Monash University, and Durham University, suggests a more accurate threshold is 23.5%. Ipsos contends that revising the indicator to 23.5% could classify more households as "house-poor," indicating a perceived financial burden due to housing costs.

Ipsos recommends incorporating this revised indicator into Malaysia's Central Database Hub initiative for more effective data-driven policymaking. They emphasize the importance of ongoing longitudinal data to inform and refine policymaking processes over time. [READ MORE](#)



DPS inks JV with Mutiara Mahajuta to develop 190 acres of land in Melaka

DPS Resources Bhd, a Main Market-listed company, has entered a joint venture (JV) agreement with Mutiara Mahajuta Sdn Bhd (MMSB) through its subsidiary DPS Energy Sdn Bhd (DPSE) to potentially develop 190.09 acres of land in Alor Gajah, Melaka.

The collaboration aims to create an agro-tourism, bio-farms, and renewable energy project. DPS Resources will manage the project, with net profits allocated at a 65% to 35% ratio for DPSE and MMSB, respectively.

This JV is part of DPS Resources' strategy to enhance the value of its landbanks, which exceed 1,000 acres. The company envisions a gross development value of approximately RM6 billion, with a focus on sustainable projects, including agro-tourism and solar farms.

The initiative aligns with DPS Resources' commitment to sustainability and community development, contributing to Malaysia's green energy market and ESG objectives. [READ MORE](#)



Apex Equity to sell Menara Apex to New Era University College's parent company for RM55m

Apex Equity Holdings Bhd is set to sell the 11-storey Menara Apex in Kajang, along with the land, for RM55 million to Era Edu Sdn Bhd, the operator of New Era University College's education arm.

The disposal is expected to generate net proceeds of approximately RM49.95 million for Apex Equity, with an estimated gain on disposal of RM39 million, after accounting for related expenses and taxes.

The proceeds will be allocated for working capital. The property's unaudited net book value was RM10.95 million as of end-June.

The 29-year-old property, acquired by Apex Equity for RM21.33 million, is currently underutilized, housing three tenants and various telco providers on the rooftop. The proposed disposal is on an 'as-is-where-is' basis, subject to the property being free from encumbrances. [READ MORE](#)



TH Properties unveils final phase of techpark@enstek, introduces semi-detached factories

TH Properties Sdn Bhd, a subsidiary of Lembaga Tabung Haji, has unveiled techpark@enstek Phase 3 in Bandar Enstek, Negeri Sembilan.

Covering 616.64 acres, it introduces semi-detached factories along with commercial and industrial plots to meet investor demands. The phase has a gross development value of RM1.36 billion and will be developed in six phases over 14 years.

Commencing this year, the first phase is expected to be completed by 2026, covering 189.38 acres. Previous phases demonstrated high success, with Phase 1 fully taken up since its 2002 launch, and Phase 2 achieving an 88% take-up since 2013.

Techpark@enstek, covering 1,750.8 acres, holds HALMAS status and has attracted notable brands like Ajinomoto, Farm Fresh, and Coca-Cola Bottlers. The initiative aligns with the Negeri Sembilan government's goal to achieve RM5 billion in investments in 2023.

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First high-rise of Gamuda Cove topped out

Gamuda Land has celebrated the topping off of Maya Bay Residences in Gamuda Cove, Selangor. This marks the first high-rise residential project in the 1,530-acre township development.

Maya Bay Residences consists of three towers of serviced apartments with 972 units, featuring built-ups ranging from 550 to 968 sq ft. Designed to optimize natural lighting and ventilation, the project also includes a retail podium with 35 outlets.

The residential units boast a 95% take-up rate, while the retail units are fully sold. The development is one of the first to use the Industrialised Building System (IBS).

Positioned within walking distance of Central Park, SplashMania Waterpark, and Discovery Park, Maya Bay Residences is expected to provide vacant possession in March 2024. The existing e-tram line connecting Discovery Park to Townsquare and SplashMania is set to extend to Maya Bay Residences by 2026. [READ MORE](#)



Penang aims to attract more developers to Seberang Prai

Penang aims to enhance its policies to stimulate the property sector and attract more developers to Seberang Prai. Datuk Seri S. Sundarajoo, chairman of the state housing and environment committee, highlighted plans to consider raising the plot ratio for development projects in Seberang Prai to match or nearly match that on the island.

The expansion of Seberang Prai, driven by the presence of more factories, particularly in Batu Kawan, has led to a high rate of housing take-up.

Sundarajoo noted the positive impact of industrial parks and mentioned upcoming catalysts such as the Batu Kawan Industrial Park 2 (BKIP2) and the Light Rail Transit. The Home Ownership Campaign, initially set to expire at the end of the year, will be extended.

The state government remains optimistic about Penang's property sector and anticipates further growth with these planned improvements. [READ MORE](#)



Ewein to buy Seberang Perai land, factory and warehouse for RM42m

Ewein Bhd, a property developer and manufacturer, plans to acquire two plots of land, a factory, and a warehouse in Seberang Perai, Penang, for RM41.8 million in cash.

The acquisition aims to support the expansion of Ewein's manufacturing segment, particularly in the production of electronic component products.

The purchase involves a 20-year-old factory with a built-up area of 194,056 sq ft and a 10-year-old warehouse with a built-up area of 27,759 sq ft.

The acquisition is made through Ewein's subsidiary, SkyDorm Industries Sdn Bhd. The transaction is subject to the consent of the Penang Development Corporation (PDC) and Penang State Authority. Ewein is actively involved in manufacturing, property investment and management, and property development, including the City of Dreams luxury serviced apartments project.

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