

ISSUE 267

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CORPORATE REAL ESTATE HIGHLIGHTS

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Malaysian economy to grow 4.5% to 5.5% in 2024

RAM Rating Services Bhd anticipates a positive economic trajectory for Malaysia in 2024, projecting a GDP growth of 4.5%–5.5%, up from an estimated 4% in the current year.

The expected improvement is attributed to a potential upswing in external demand and robust domestic demand, backed by favorable inflation and interest rates. On the fiscal front, the agency forecasts a fiscal deficit of 4.2% of GDP in 2024, showcasing government efforts in fiscal consolidation. The narrower deficit is foreseen due to reduced subsidies, efficient management of operating expenditures, and increased tax revenues.

Despite these positive indicators, risks to Malaysia's growth include global economic uncertainties, geopolitical conflicts, and potential pressures on domestic demand from spikes in global food and commodity prices, as well as challenges in the retargeting of RON95 petrol subsidies. The government's commitment to critical development projects will keep the national debt at RM1.3 trillion in 2024, constituting 62.7% of GDP, with debt servicing accounting for 16.1% of projected revenue in 2024. [READ MORE](#)



Investment momentum stays strong for Malaysia

In the first nine months of 2023, Malaysia experienced a robust 6.6% year-on-year increase in total committed investments, reaching RM225 billion, up from RM211 billion.

This growth is attributed to 3,949 investment projects expected to generate 89,495 job opportunities. The services sector led the way with a 52.3% share, followed by manufacturing at 44.4%.

Key contributing states or territories included Kuala Lumpur, Penang, Selangor, Kedah, and Johor, accounting for 79.1% of total investments. Foreign direct investments (FDIs) constituted 55.9%, totaling RM125.7 billion, primarily in the manufacturing sector. The Netherlands, Singapore, the United States, China, and Japan were the top FDI sources. Notably, green technology investments rose by 24.6% to RM1.5 billion.

Despite macro headwinds, UOB Research revised its 2023 investment forecast to RM300 billion, considering Malaysia's growth prospects, political stability, and government initiatives. [READ MORE](#)



LKL International sells land in Seri Kembangan for RM6.9mil

LKL International Bhd is set to sell its freehold land in Seri Kembangan, Selangor, to 8 Food Avenue Sdn Bhd for RM6.9 million.

The sale, facilitated through LKL's subsidiary, LKL Advance Metaltech Sdn Bhd, aims to unlock the property's value and generate surplus cash, as the land has remained unused. The move is strategic for LKL, intending to bolster liquidity and support core business activities by reallocating funds to working capital and potential investments.

The disposal consideration of RM6.9 million was determined through negotiations on a "willing buyer, willing seller basis." Net proceeds, after deducting related fees and expenses, will be directed towards financing working capital and/or investments within 12 months post-transaction completion. [READ MORE](#)



Sunway REIT acquires industrial property in Penang for RM66.8m

Sunway Real Estate Investment Trust (Sunway REIT) is set to acquire an industrial property in Prai, Penang, for RM66.8 million through its trustee, RHB Trustees Bhd.

The property, spanning 4.21 hectares with a leasehold tenure expiring in 2052, has a gross floor area of 307,487 square feet and is fully tenanted by multinational corporations, including Premium Sound Solutions, a Belgian sound products manufacturer.

The acquisition is expected to yield an initial net property income of approximately 7.6%, based on the purchase consideration. The funding for the acquisition will be sourced from Sunway REIT's existing debt facilities, with completion targeted for the third quarter of 2024.

This move aligns with Sunway REIT's strategy to expand its footprint in the industrial segment, aiming to enhance its asset portfolio mix in line with its Transcend 2027 targets. [READ MORE](#)



Two RM1.4bil residential towers planned for Federal Hills next year

S P Setia Bhd is set to embark on a RM1.4 billion joint venture with Mitsui Fudosan (Asia) Malaysia Sdn Bhd to develop two high-rise residential towers in the affluent Federal Hill neighborhood, located opposite KL Sentral.

The project, spanning 2.67 acres, is expected to feature approximately 1,300 apartments, with the first tower slated for a 2024 debut. S P Setia views this venture as a significant opportunity to solidify its presence in the sought-after Bangsar neighborhood, drawing potential interest due to its strategic location across from the KL Sentral transportation hub.

The Setia Federal Hill development has an estimated gross development value of RM20.19 billion, featuring a master plan by Rafael Viñoly Architects aimed at revitalizing the site with an expansive elevated green roof.

The joint venture is anticipated to enhance the project's profile and attract international clients, contributing to S P Setia's growth.

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Lim: MGB wins RM167.75mil contract for a residential tower in Genting Highlands

MGB Bhd, a subsidiary of LBS Bina Group Bhd, secures a contract valued at RM167.75 million for a residential development project in Genting Highlands, Pahang.

The contract involves constructing a 36-storey building with 28 floors of service apartment units on a 2.3-acre site. Awarded by RDC Arkitek (KL) Sdn Bhd on behalf of Johan Anggun Sdn Bhd, the contract enhances MGB's outstanding construction order book, now standing at RM1.22 billion.

MGB's executive vice chairman, Tan Sri Ir (Dr) Lim Hock San, expresses optimism about the company's prospects in 2024, citing continuous efforts to acquire new expertise and enhance the utilization of its industrialized building system (IBS) precast concrete products. IBS remains a core competence, and Lim emphasizes the company's commitment to meeting industry demands and staying ahead. [READ MORE](#)



YTL Land to launch Dedaun Rimba in Kwasa Damansara in 1Q2024

YTL Land & Development, the property arm of YTL Group, is set to launch Dedaun Rimba, a landed strata project within the 2,259-acre Kwasa Damansara township in Selangor.

The low-density development, conceptualized as a nature-inspired project, comprises 264 units with an estimated gross development value of RM200 million.

The project includes 68 units of 3-storey link homes and 196 units of 1½-storey townhouses on a 12.7-acre leasehold parcel. Dedaun Rimba features ample green spaces, a central park, linear park, and a residents-only clubhouse. The link homes are priced from RM1.3 million onwards, while townhouses start at RM800,000.

The development is strategically located near public infrastructure, parks, and transport links, contributing to its appeal for families and young working adults. [READ MORE](#)

