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## MIDF Research maintains positive outlook on property sector

MIDF Research maintains a positive outlook on Malaysia's property sector, citing stable House Price Index (HPI), unchanged overnight policy rate, and reduced residential overhang.

Infrastructure projects like the Johor Bahru–Singapore Rapid Transit System and Penang Light Rail Transit are expected to boost connectivity and property buying sentiment.

HPI has consistently risen since 2022, reaching 219.4 in 3Q 2023. However, the research firm suggests that rising construction costs and inflation may drive property prices marginally higher as developers pass on higher costs to homebuyers. At the same time, it noted that loan applications declined on a yearly basis for the first time in eight months as demand for property took a breather.

On a yearly basis, loan applications in February 2024 were lower by 19% y-o-y after a strong growth of 46% y-o-y in January 2024. “Nevertheless, total loan applications in the first two months of 2024 was higher by 8.0% y-o-y to RM91 billion, which indicates stronger demand for property,” it added



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## IMF revises Malaysia's 2024 GDP higher to 4.4%

The International Monetary Fund (IMF) has upgraded Malaysia's GDP growth forecast to 4.4% for 2024, up from the previous prediction of 4.3%, following a 3.7% expansion in 2023.

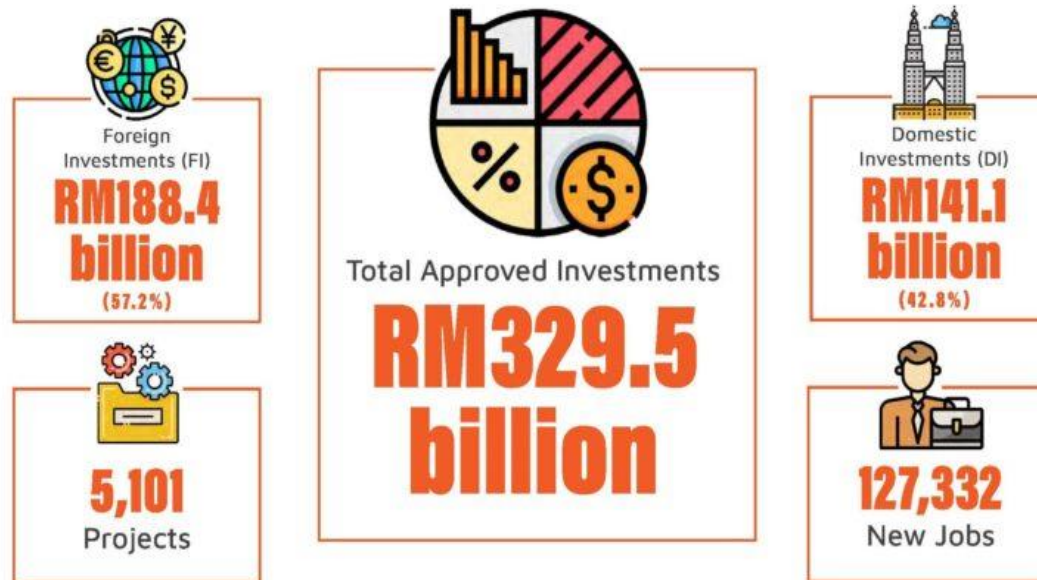
The IMF anticipates Malaysia's GDP growth to maintain at 4.4% in 2025. Current account balance projections stand at 2.4% for 2024 and 2.7% for 2025.

Globally, growth is expected to remain steady at 3.2% for both 2024 and 2025. Risks to the global outlook are balanced, with potential downside from geopolitical tensions and supply-side constraints, while looser fiscal policies and advancements in artificial intelligence are cited as potential upside factors.

Global headline inflation is forecasted to decline to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies.



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## RM329.5b investments in 2023 – highest since establishment of Mida

Datuk Arham Abdul Rahman, the outgoing CEO of the Malaysian Investment Development Authority (Mida), revealed that Malaysia attracted investments worth RM329.5 billion in 2023, the highest since Mida's establishment in 1967.

This success was attributed to collaborative efforts across various government agencies and ministries. Arham emphasized the importance of continuous efforts to enhance Malaysia's attractiveness for investments, especially considering competition from neighboring countries. The focus has shifted towards **high-value and innovation-driven investments** to create quality jobs and ensure economic resilience.

Mida aims to attract strategic projects aligned with the New Industrial Master Plan 2030 (NIMP 2030), emphasizing talent development and vendor programs. Arham highlighted Malaysia's targeted approach to foreign investments, which balances openness to foreign capital with safeguarding national interests, contributing to sustainable and inclusive economic development.



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## Zafrul: Plans in place to enhance Malaysia's E&E ecosystem, prepare for global minimum tax implementation

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz highlighted Malaysia's potential to achieve high-income status by 2030, driven by significant foreign direct investment (FDI) inflows.

Plans are underway to enhance the electrical and electronics (E&E) ecosystem, improve business conditions, and prepare for global minimum tax implementation in 2025. Efforts include attracting high-technology companies and advancing value chain capabilities within existing industries, particularly in semiconductors.

Malaysia's GDP is projected to grow by 5% in 2024, surpassing the ASEAN average. Economic growth in the region is expected to improve, driven by higher exports, particularly in semiconductors, and robust demand for travel and services. The semiconductor sector is poised for significant growth, supported by a global industry recovery and increasing electronics sales.



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## Hong Leong Bank signs MoU to promote investments in Malaysia

Hong Leong Bank Bhd (HLB) has formed a strategic collaboration with the Malaysian Investment Development Authority (Mida) to **bolster Malaysia's investment ecosystem.**

The partnership aims to provide comprehensive financing and banking services for businesses entering the Malaysian market. The collaboration seeks to elevate Malaysia's global standing as a prime investment destination by streamlining the investment process. Both parties aim to foster sustained business growth and engagement, particularly within **Malaysia's small and medium enterprises and commercial sectors.**

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz emphasized the importance of partnerships for national development and economic innovation. He highlighted the collaboration's role in supporting Malaysia's socio-economic prosperity and advancing its industrial and investment ecosystem.



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## Strong spillover from mega infrastructure projects in Q2

The construction sector in Malaysia continues to see positive momentum driven by infrastructure projects and digitalization efforts. **Budget 2024's RM90 billion allocation is expected to drive contract flows.**

The projects include the Penang LRT, Pan Borneo Sabah Phase 1, MRT3, large-scale flood mitigation projects, Sabah-Sarawak Link Road, Kuching Urban Transportation System-Green Line, and water-related projects. There are also plans to reinstate five more LRT3 stations in the Klang Valley.

Industry players are optimistic, with companies like Kerjaya Prospek Group Bhd and Varia Bhd anticipating growth post-COVID-19. The sector's performance has been solid, with the construction index on Bursa Malaysia showing significant gains.

Rakuten Trade Sdn Bhd expects construction stocks to be among the best performers in 2024. New contract wins are expected to boost companies' earnings, with firms like Gamuda Bhd and IJM Corp securing substantial contracts. Overall, the sector is poised for growth, with companies like Sunway Construction and WCT Holdings Bhd also raising their guidance on new job wins for FY2024.



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## Perak proposes new highway between Tanjung Malim and Lumut

The Ministry of Finance (MOF) has registered a proposed highway project connecting Tanjung Malim to Lumut, confirmed by Menteri Besar Datuk Seri Saarani Mohamad.

This highway aims to facilitate export logistics services through the Lumut Maritime Industrial City (LuMIC) once the High Technology Automotive Valley (AHTV) project in Tanjung Malim begins operations.

Saarani highlighted the need to empower Lumut Port to avoid congestion at Port Klang. The highway is planned to coincide with the AHTV development, enabling direct transportation of products from factories to the port.

The MOF's registration follows Prime Minister Datuk Seri Anwar Ibrahim's recent visit to Perak, where 10 initiatives were proposed for federal consideration. Additionally, a 50MW solar power plant was launched in Sungai Kerian reserve, aligning with Perak's Green Technology Agenda.



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The Petaling Jaya Dispersal Link (PJD Link) Expressway project has been discontinued due to the developer's failure to meet conditions outlined in the concession agreement. Fahmi Fadzil, the government spokesman, announced that the Cabinet decided not to proceed with discussions after the developer couldn't fulfill the conditions.

The Works Ministry will release a statement elaborating on the matter. The PJD Link was proposed as a 25.4km dual-lane elevated expressway connecting Damansara to Bandar Kinrara in Selangor.

Last year, Selangor's then-caretaker Menteri Besar Datuk Seri Amirudin Shari announced the project's cancellation, citing dissatisfaction with the proposal after assessing its impact assessment report.

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## IGB REIT, IGB Commercial REIT post higher 1Q NPI on increase in rental income

IGB Real Estate Investment Trust (IGB REIT) reported a 4.79% increase in first-quarter net property income (NPI) to RM124.24 million, driven by higher rental income. Revenue for the quarter rose 5.14% to RM162.56 million.

The company anticipates a 3.5% growth in the retail sector for the second quarter, with an overall 4% growth for 2024, despite concerns about rising living costs and inflationary pressures affecting consumer spending.

Its sister company, IGB Commercial REIT, saw an NPI of RM34.23 million, attributing the increase to higher maintenance costs in the preceding quarter. For the next quarter ahead, IGB Commercial REIT said it will actively adopt strategic approaches to maintain the relevance of its investment properties in the market, while driving the business towards a future where environmental, social, and governance (ESG) integration becomes standard practice.



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### **Kumpulan Kitacon secures LOA worth RM135 mil for building works in Ijok**

Kumpulan Kitacon Bhd has been awarded a contract worth RM134.8 million in Ijok, Selangor, for main building works.

The letter of award (LOA) was accepted by its unit, Kitacon Sdn Bhd, from Tropicana Alam Sdn Bhd. The contract involves the construction and completion of Phase 1 (Avisa), which includes 399 units of double-storey terrace houses (20' x 70'), 32 units of double-storey terrace houses (22' x 70'), and three units of TNB substations (double chamber).

The 22-month contract will commence on April 18, 2024. This project is expected to contribute positively to Kumpulan Kitacon Bhd's earnings for the financial years ending December 31, 2024, onwards.



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## Tujuh Residences receives encouraging market response

Malton Bhd is launching the final tower of River Park Bangsar South in Kuala Lumpur on April 20, coinciding with Earth Day celebrations, following the success of previous towers with a 70% take-up rate.

Spread across 2.06 hectares, the development comprises three towers offering a total of 1,332 units, blending sustainability, luxury, and convenience. Strategically located near transportation hubs and amenities, it features various home types catering to different lifestyles, with sizes ranging from 812 to 1,180 square feet and prices starting from RM600,000.

The development emphasizes sustainability with green features and has received provisional GreenRE certification. To facilitate homeownership, Malton collaborates with Maybank to offer Maybank MyDeco Financing, providing financing for interior design and furnishing, simplifying the buying process and allowing homeowners to create their dream space without upfront costs.



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## **ParkCity Group debuts Kuching's first strata-titled landed homes, priced above RM3.1mil**

ParkCity Group has launched The Mansions, its first development in Kuching, Sarawak, offering strata-titled landed residences in the Kenny Hill suburb.

Situated adjacent to Jalan Ong Tiang Swee, the 45-acre Kenny Heights mixed development features 25 double-storey bungalows and 28 semi-detached homes in its initial phase. Prices start at RM5.1 million for bungalows and RM3.1 million for semi-detached homes.

The project emphasizes multi-generational living with colonial charm and modern design. Boasting spacious built-up areas ranging from 4,140 to 6,564 square feet, the homes aim to provide elegant living spaces.

Inspired by ParkCity's flagship Desa ParkCity in Kuala Lumpur, Kenny Heights incorporates lush green spaces and shared amenities like a linear park and picnic lawns. Safety features include 24/7 security, anti-climb fencing, and CCTVs.



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