



24th ASEAN Valuers Association

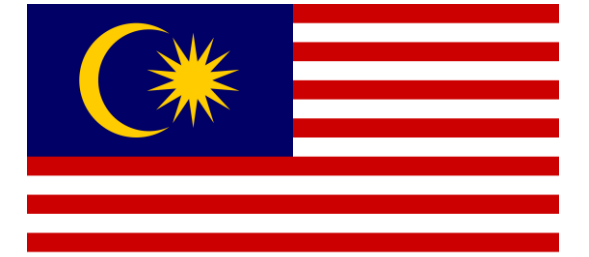
Congress

Bali Indonesia

22nd – 24th November 2022



Malaysia Country Report



Presentation Outline

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Property Market Activity

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Property Inventory

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Property Market Status

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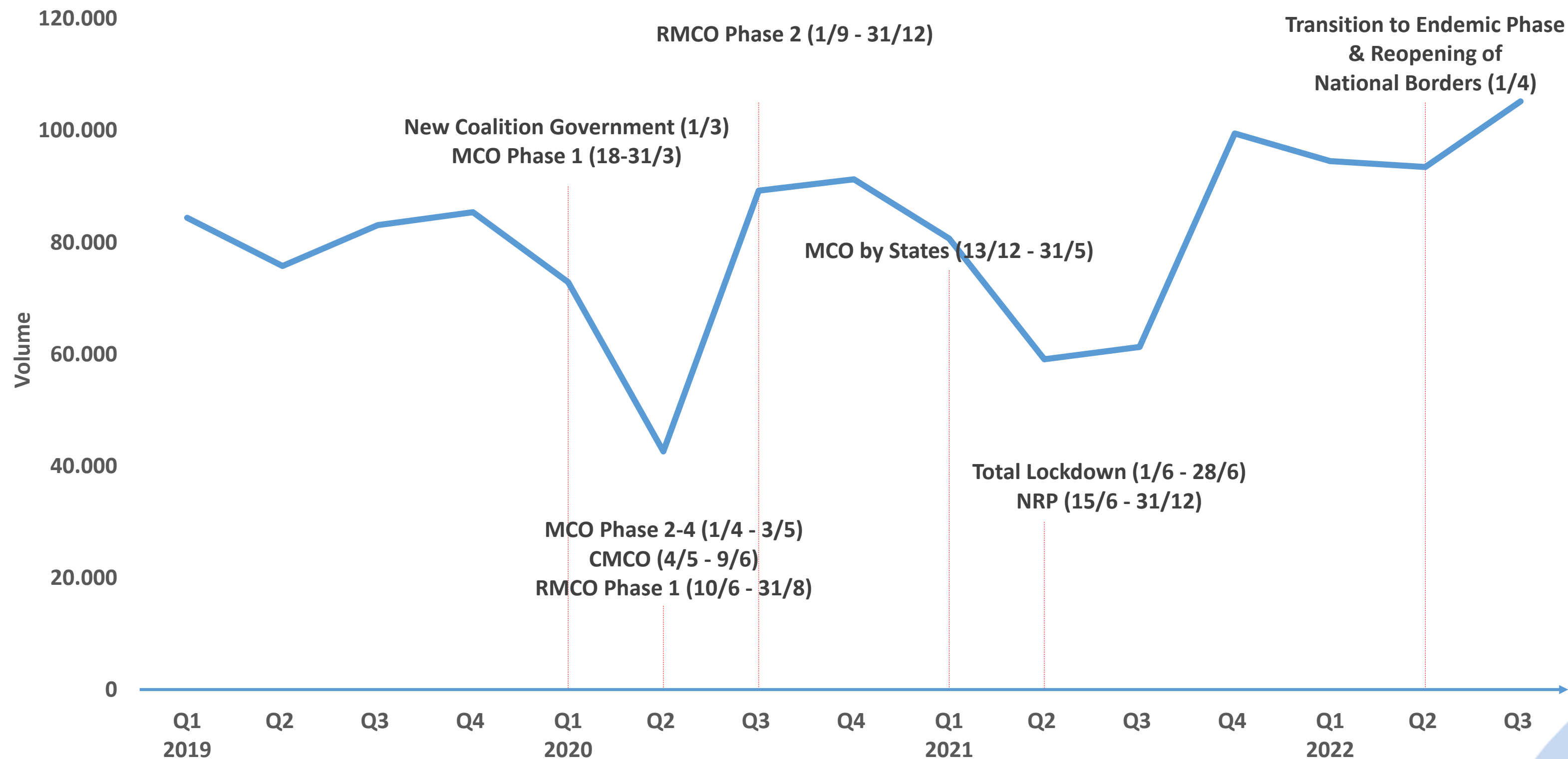
Price Movements

5

Sustainability

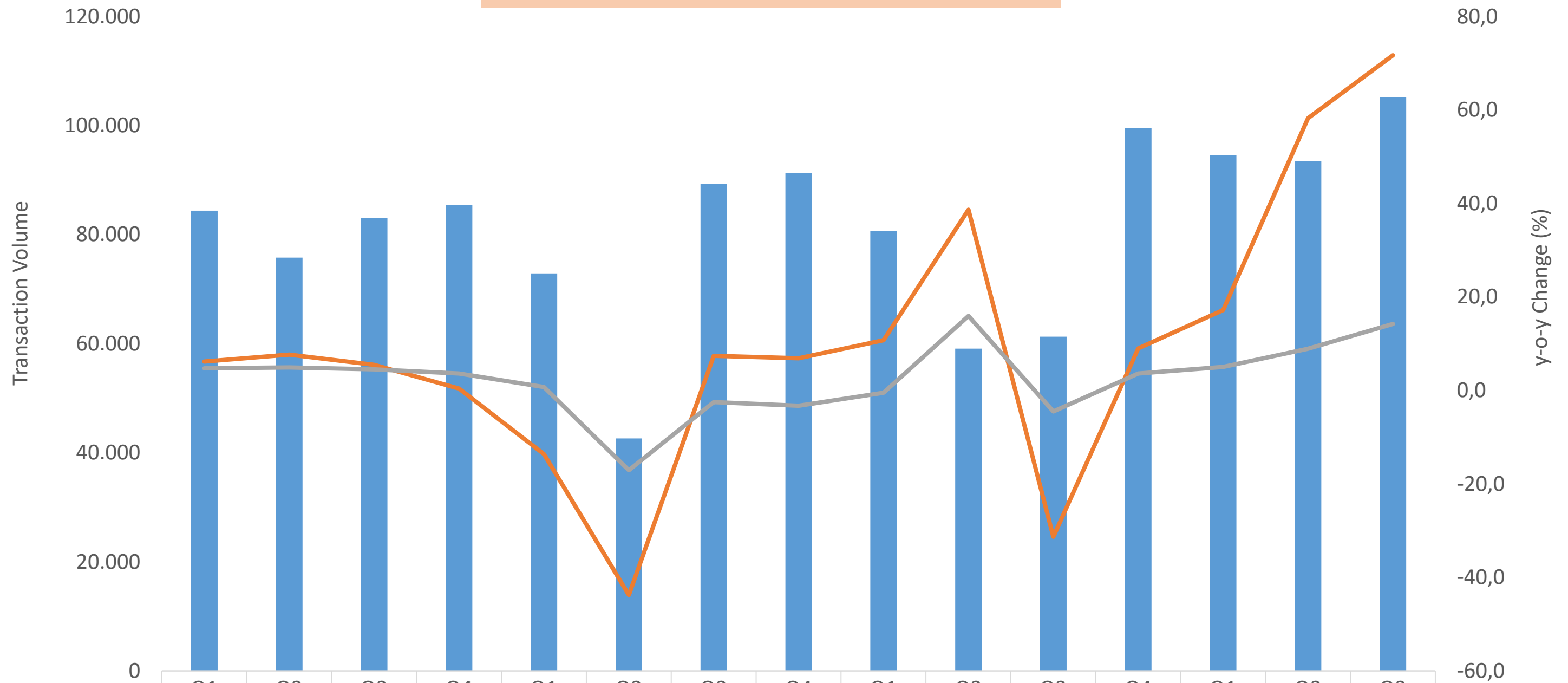


Malaysia COVID-19 Timeline: Volume of Transaction



MCO – Movement Control Order
 CMCO – Conditional Movement Control Order
 RMCO – Recovery Movement Control Order
 NRP – National Recovery Plan

Volume of Transactions & GDP



	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Volume of Transaction	84.388	75.777	83.085	85.397	72.867	42.609	89.232	91.260	80.679	59.073	61.283	99.462	94.536	93.466	105.204
Transaction y-o-y Change (%)	6,2	7,7	5,5	0,4	-13,7	-43,8	7,4	6,9	10,7	38,6	-31,3	9,0	17,2	58,2	71,7
GDP y-o-y Change	4,7	4,9	4,5	3,6	0,7	-17,1	-2,5	-3,3	-0,5	15,9	-4,5	3,6	5,0	8,9	14,2

Table 3 - Loan Application and Loan Approval for Purchase of Residential Property

Purchase of Residential					
Year	Loan Application (RM Million)	Loan Approval (RM Million)	% Change Loan Application	% Change Loan Approval	<u>Approval</u> Application %
H1 2011	93,991.37	47,043.05	20.2	19.6	50.1
H1 2012	97,922.55	45,278.11	4.2	-3.8	46.2
H1 2013	114,891.60	55,097.57	17.3	21.7	48.0
H1 2014	113,572.12	57,677.59	-1.1	4.7	50.8
H1 2015	105,088.95	52,805.82	-7.5	-8.4	50.2
H1 2016	105,114.20	41,442.29	0.0	-21.5	39.4
H1 2017	116,420.80	48,512.88	10.8	17.1	41.7
H1 2018	113,233.68	48,688.11	-2.7	0.4	43.0
H1 2019	127,119.01	53,937.10	12.3	10.8	42.4
H1 2020	96,445.53	32,841.42	-24.1	-39.1	34.1
H1 2021	179,427.35	63,250.01	86.0	92.6	35.3
H1 2022	186,947.70	70,159.54	4.2	10.9	37.5

Source: Bank Negara Malaysia

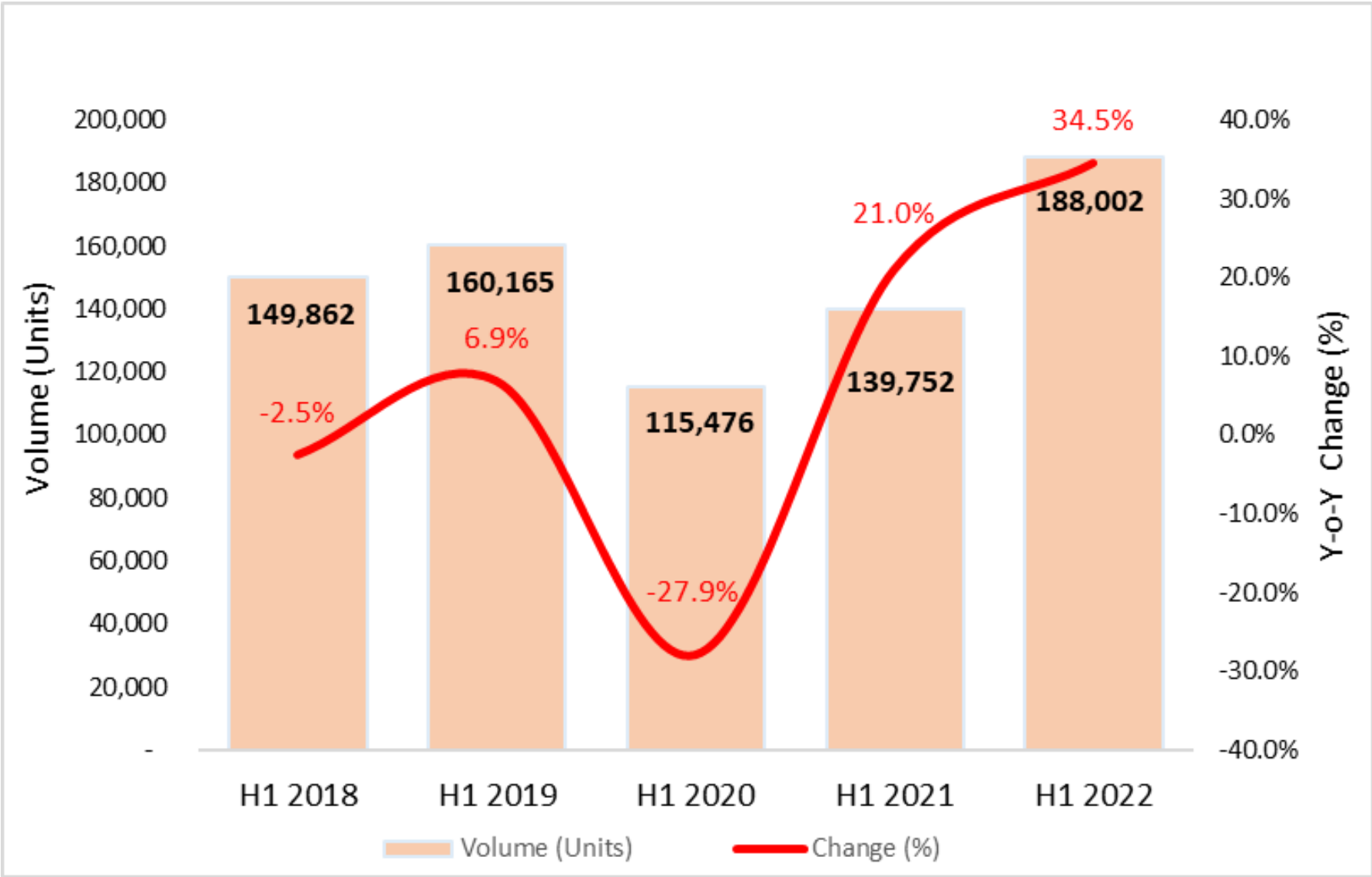
Table 4 - Loan Application and Loan Approval for Purchase of Non-Residential Property

Purchase of Non-Residential					
Year	Loan Application (RM Million)	Loan Approval (RM Million)	% Change Loan Application	% Change Loan Approval	<u>Approval</u> Application %
H1 2011	50,098.03	26,233.97	37.3	39.6	52.4
H1 2012	50,965.97	26,186.62	1.7	-0.2	51.4
H1 2013	59,372.11	25,371.45	16.5	-3.1	42.7
H1 2014	51,704.92	24,552.86	-12.9	-3.2	47.5
H1 2015	49,388.50	21,752.95	-4.5	-11.4	44.0
H1 2016	39,501.36	15,569.61	-20.0	-28.4	39.4
H1 2017	42,061.22	14,240.12	6.5	-8.5	33.9
H1 2018	48,308.15	15,215.82	14.9	6.9	31.5
H1 2019	47,225.88	18,689.75	-2.2	22.8	39.6
H1 2020	30,098.74	9,932.77	-36.3	-46.9	33.0
H1 2021	45,941.15	15,786.50	52.6	58.9	34.4
H1 2022	51,373.30	23,773.00	11.8	50.6	46.3

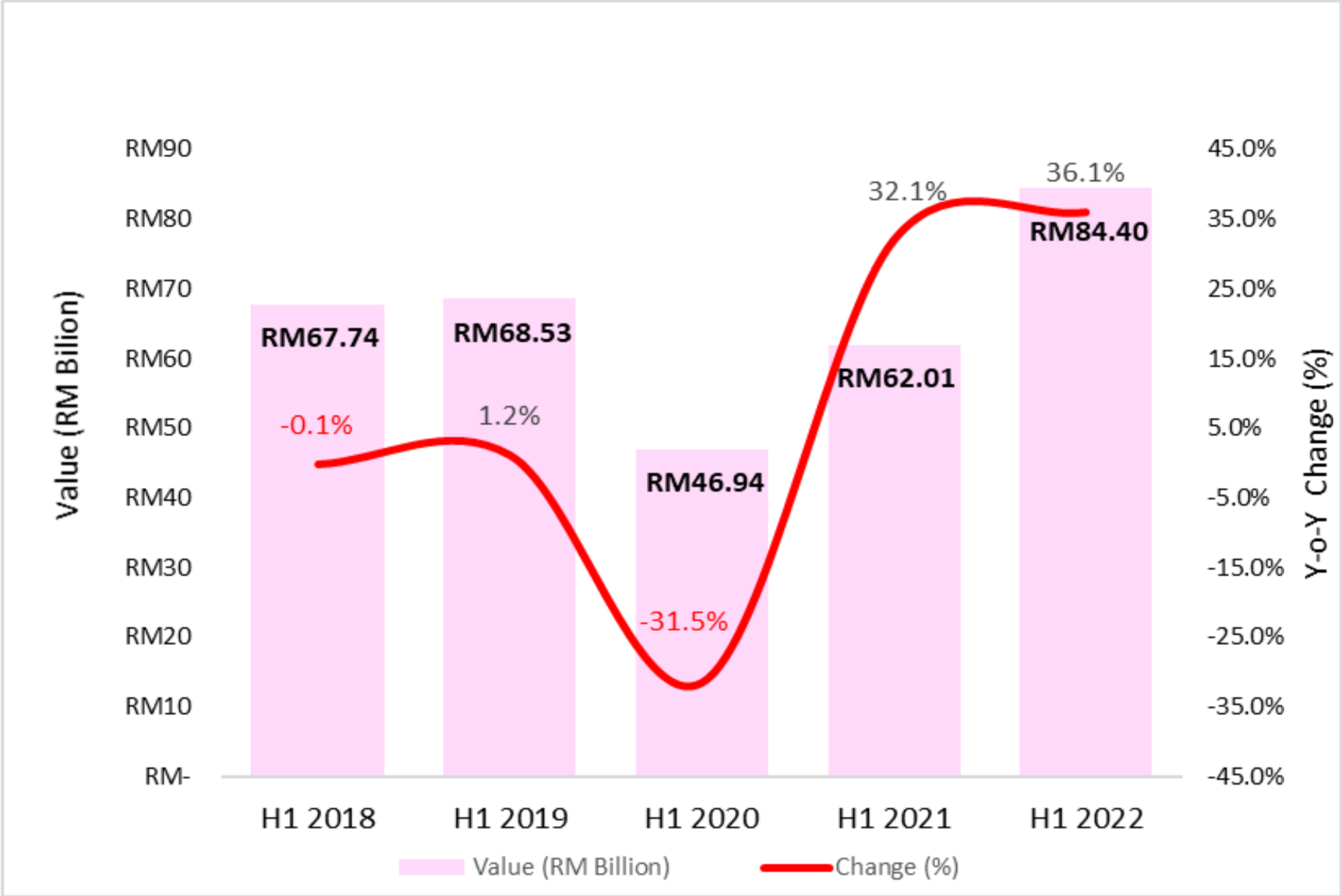
Source: Bank Negara Malaysia

PROPERTY MARKET TRANSACTIONS H1 2022

Overall Volume of Transactions H1 2018 – H1 2022



Overall Value of Transactions H1 2018 – H1 2022



H1 2022 188,002 Transactions
 H1 2021 139,752 Transactions

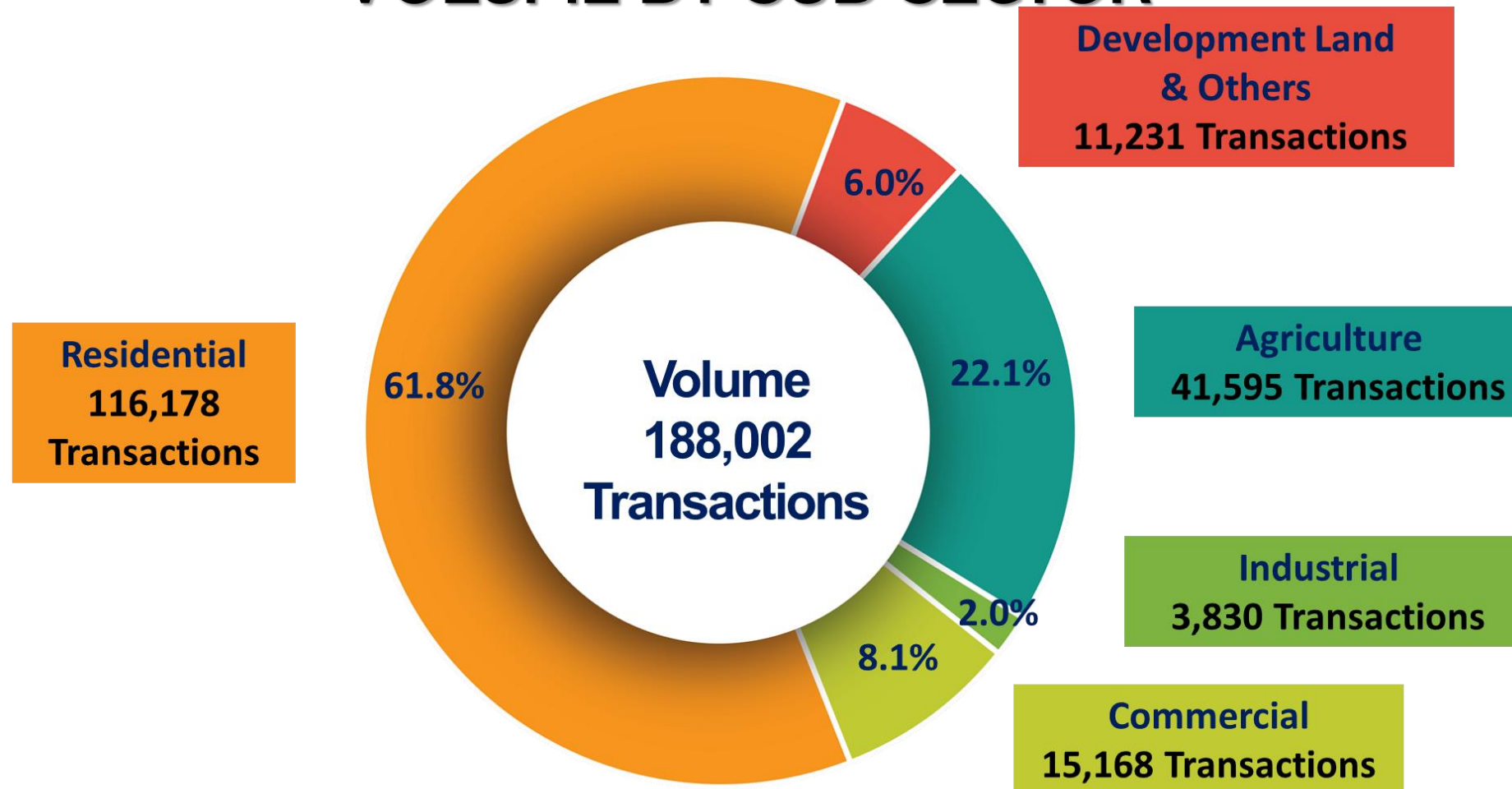


H1 2022 RM84.40 Billion
 H1 2021 RM62.01 Billion

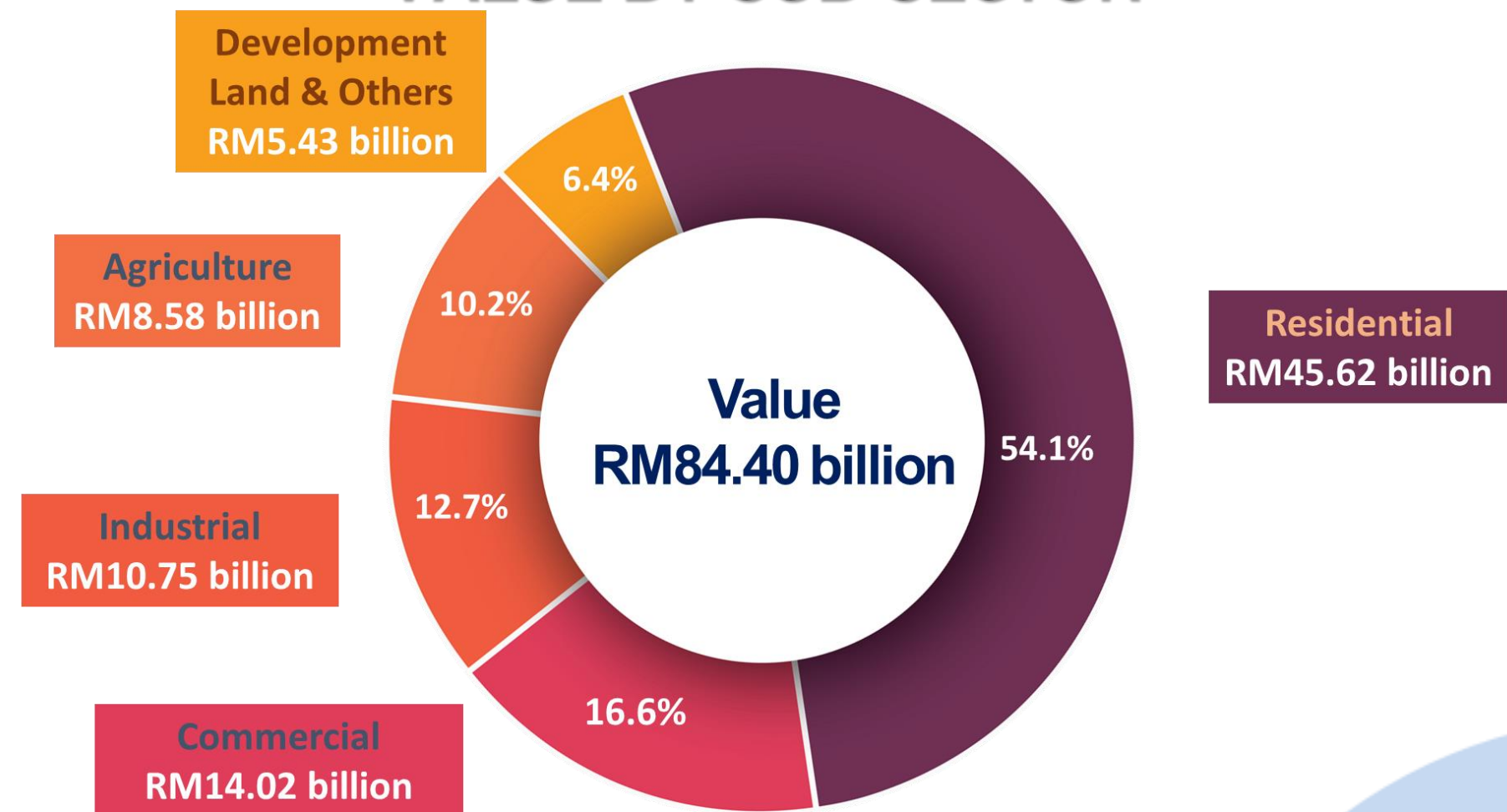


PROPERTY MARKET TRANSACTIONS H1 2022

VOLUME BY SUB-SECTOR

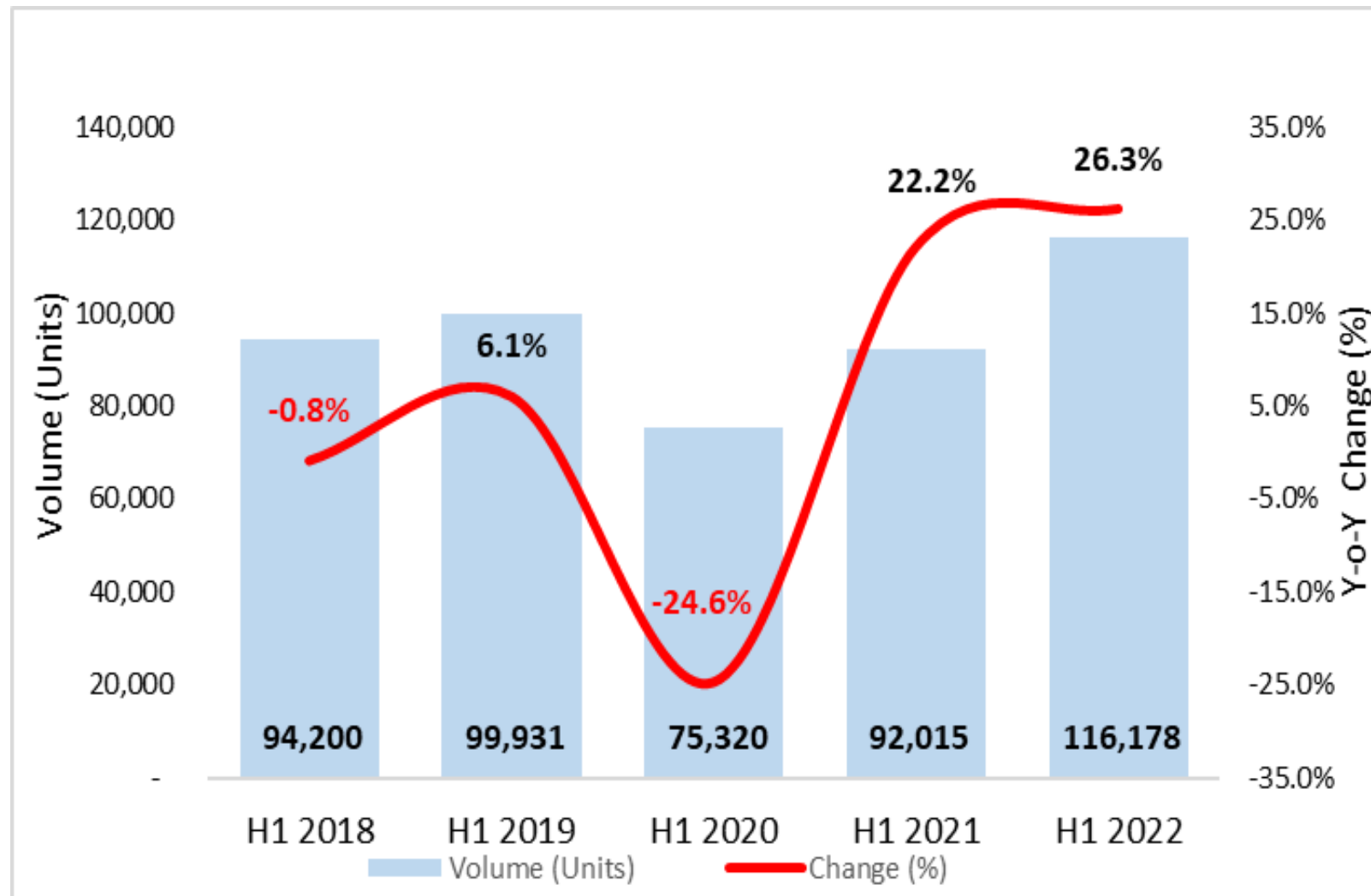


VALUE BY SUB-SECTOR

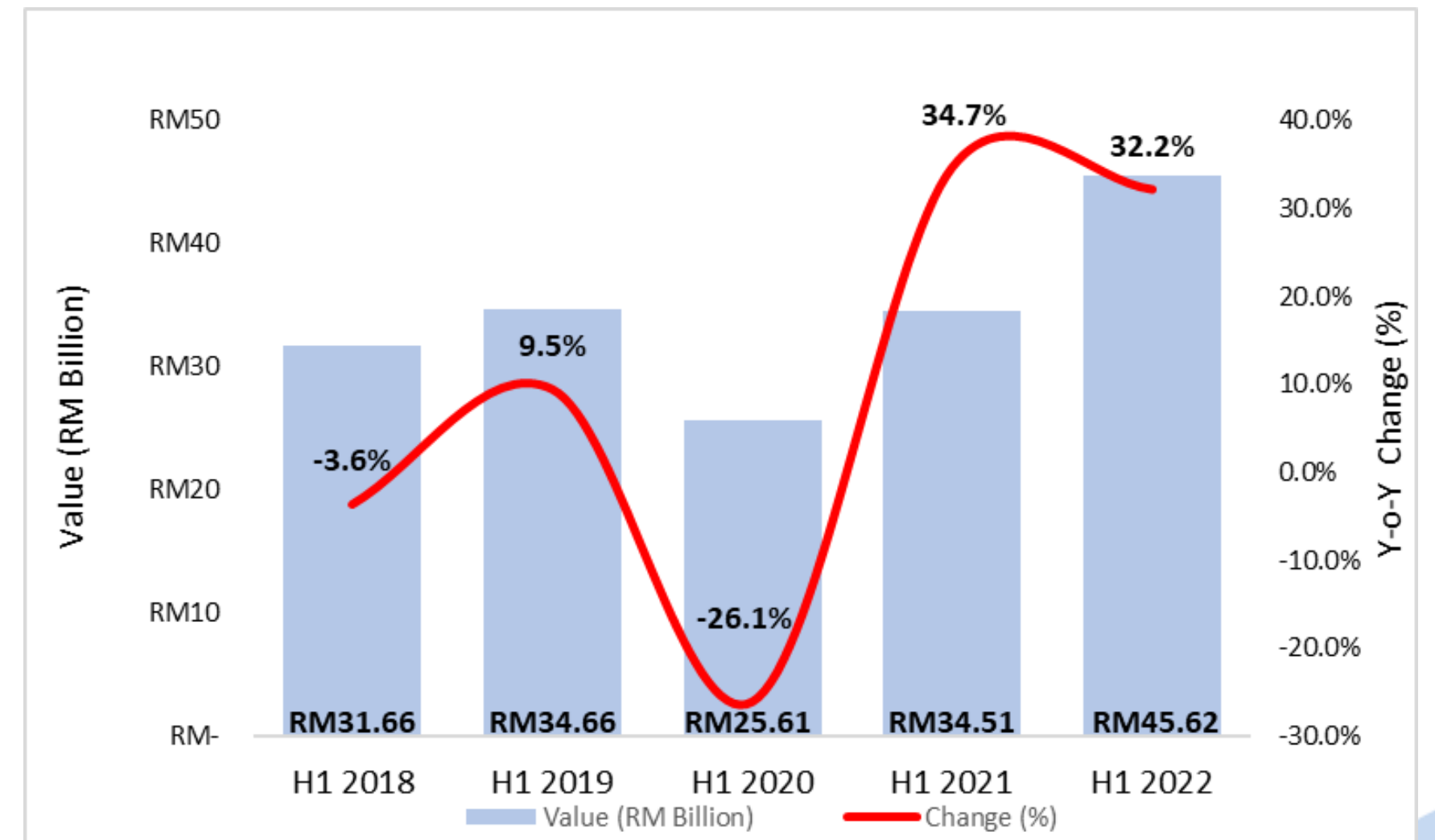


PROPERTY MARKET TRANSACTIONS H1 2022

Residential Transaction Volume Trend H1 2018 – H1 2022



Residential Transaction Value Trend H1 2018 – H1 2022



PROPERTY INVENTORY H1 2022

Existing Stock (Units)

6,022,030

545,639

52,660

304,882

119,551

Residential

Shops

SOHO

Serviced Apt.

Industry



412,445

28,287

27,960

154,276

4,620

Incoming Supply (Units)

PROPERTY INVENTORY H1 2022

Existing Stock

2,575 Buildings (24.175 million s.m.)

1,067 Buildings (17.359 million s.m.)

3,511 Hotels (270,652 Rooms)

Purpose-Built Office



Shopping Complex



Hotel



Incoming Supply

41 Buildings (1.530 million s.m.)

40 Buildings (1.559 million s.m.)

79 Hotels (16,785 Rooms)

PROPERTY MARKET STATUS H1 2022

NEWLY LAUNCHED RESIDENTIAL

UNITS LAUNCHED



2,009 Units



High-Rise Property

8,543 Units



Landed

SALES PERFORMANCE

**Sold 249 units
@12.4%**



**Sold 1,892 units
@ 22.1%**

TOTAL 10,552 Units



2,141 Units
SOLD @ 20.3%

Price Range

Below RM300,000
2,520 units (23.9%)

RM300,001 – RM500,000
4,380 units (41.5%)

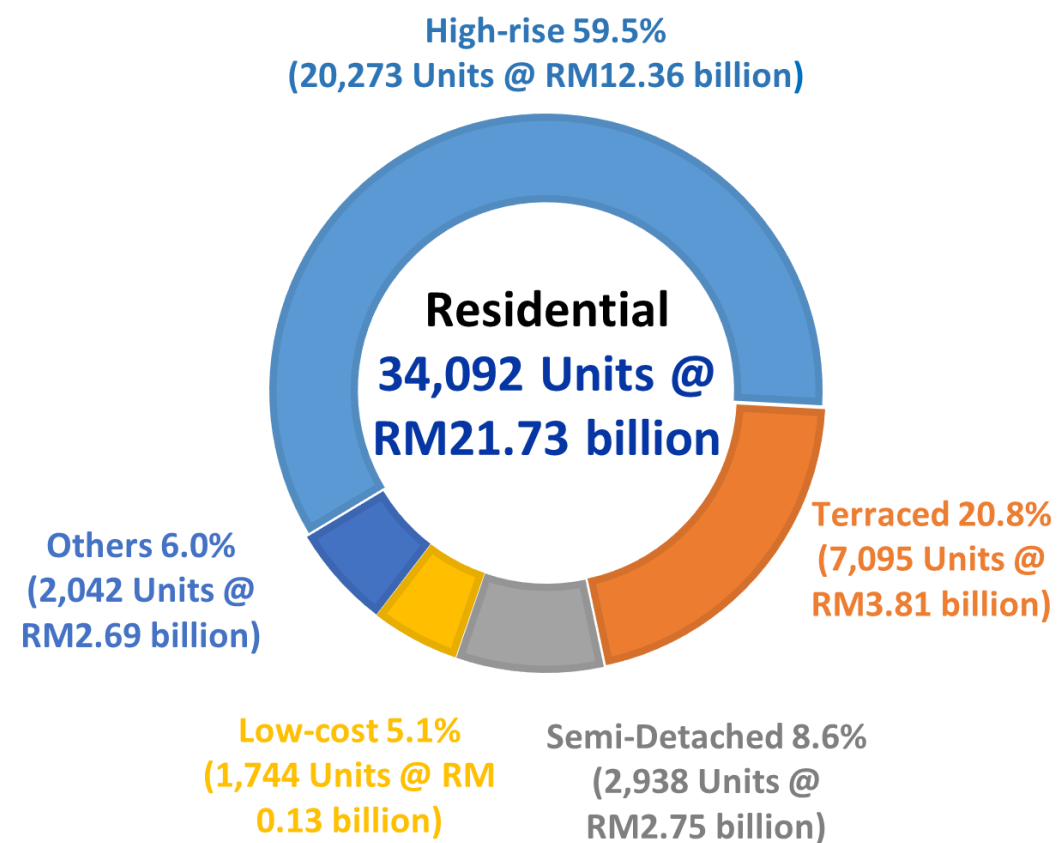
RM500,001 – RM1 Million
3,176 units (30.1%)

Above RM1 Million
476 units (4.5%)

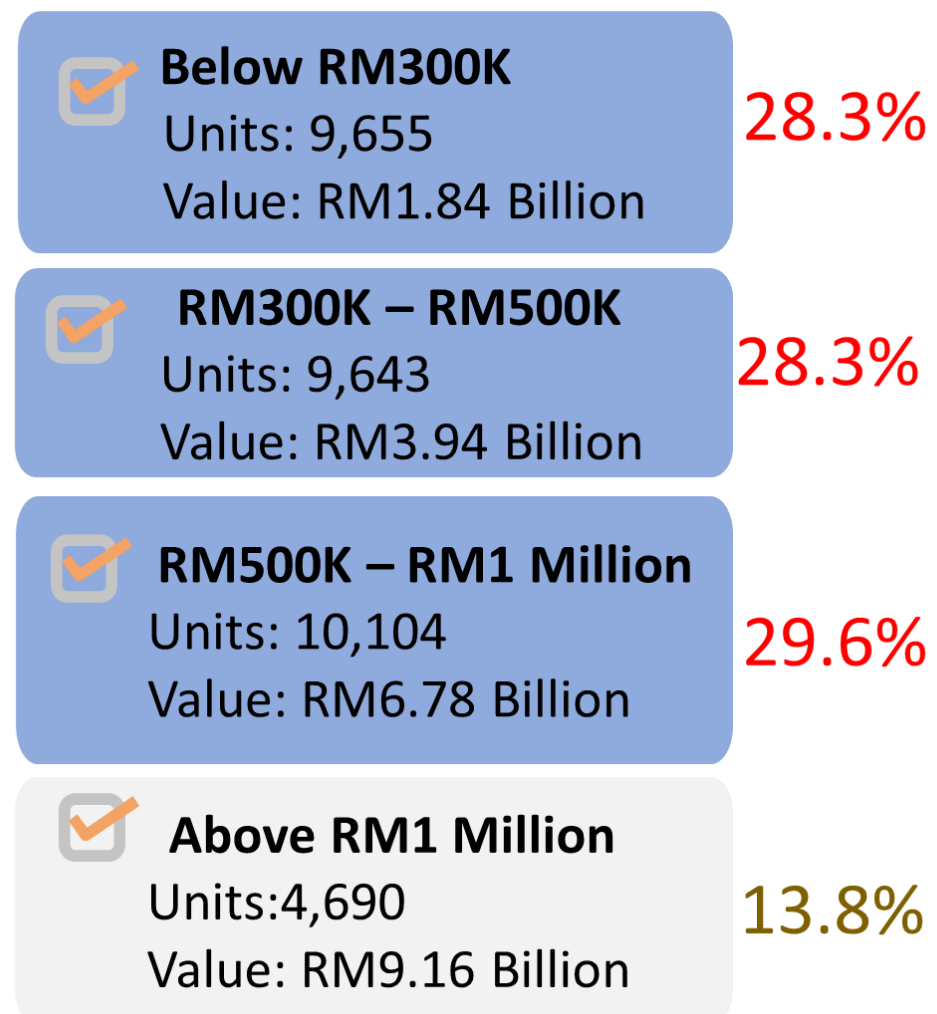
PROPERTY MARKET STATUS H1 2022 - OVERHANG

Residential

Overhang by Type

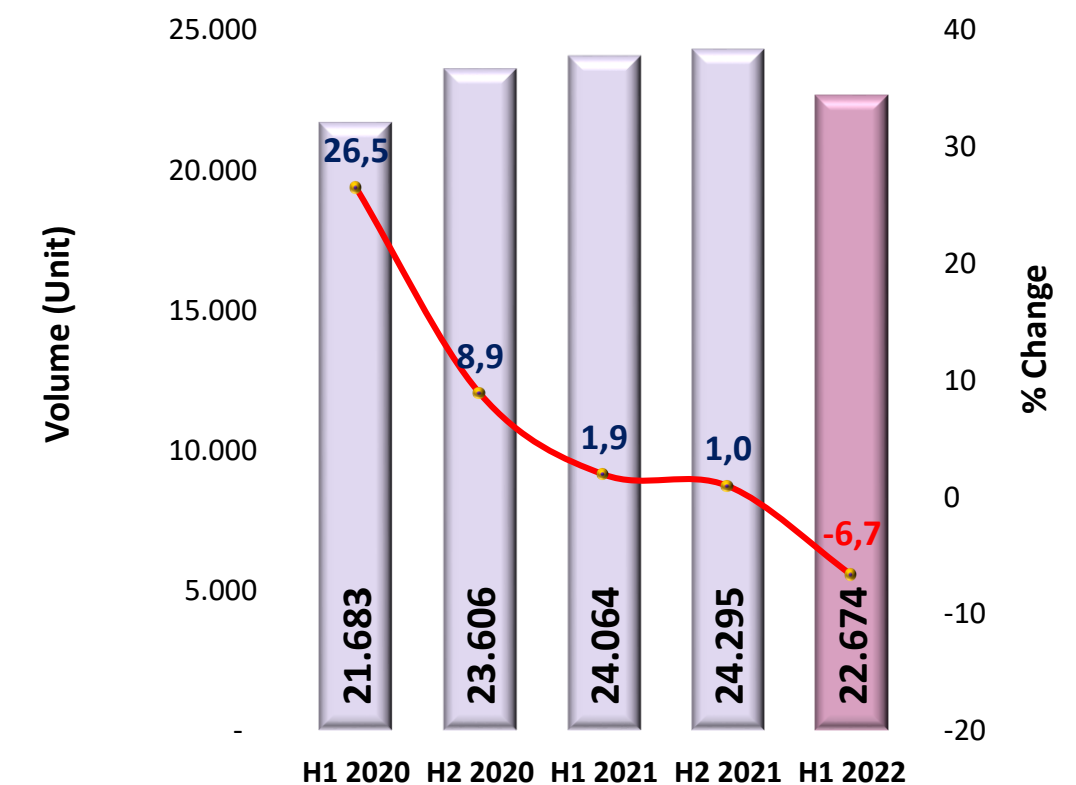


Overhang by Price Range



Serviced Apartment

Volume Trend H1 2020 – H1 2022



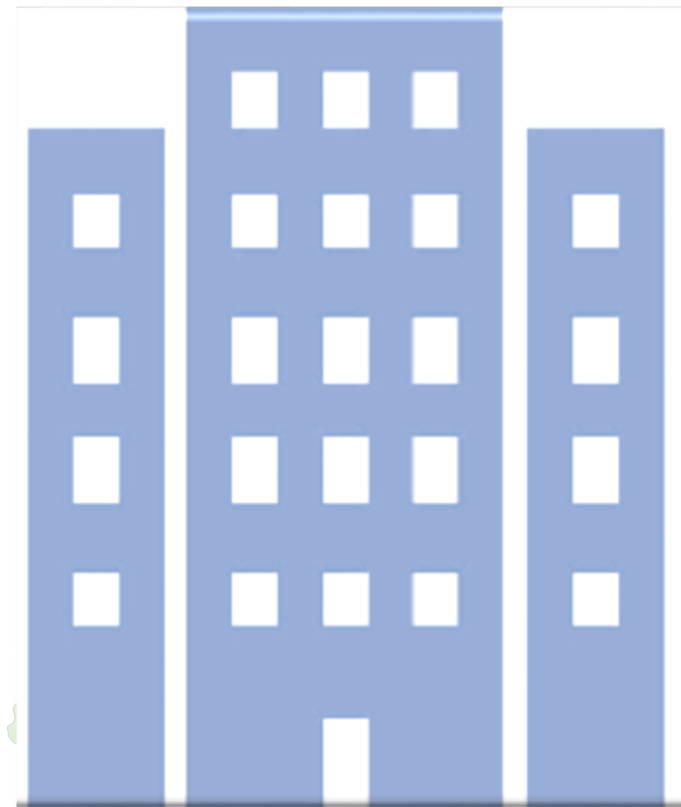
65.5%
RM500K – RM1 Million
 Units: 14,851
 Value: RM11.11 Billion

PROPERTY MARKET STATUS H1 2022

SUPPLY & OCCUPANCY

OCCUPANCY RATE

↓ **77.7%** ↓ **75.7%**



Purpose-Built Office



Shopping Complex

Total Space: **24.175** million s.m.

Total Occupied: **18.795** million s.m.

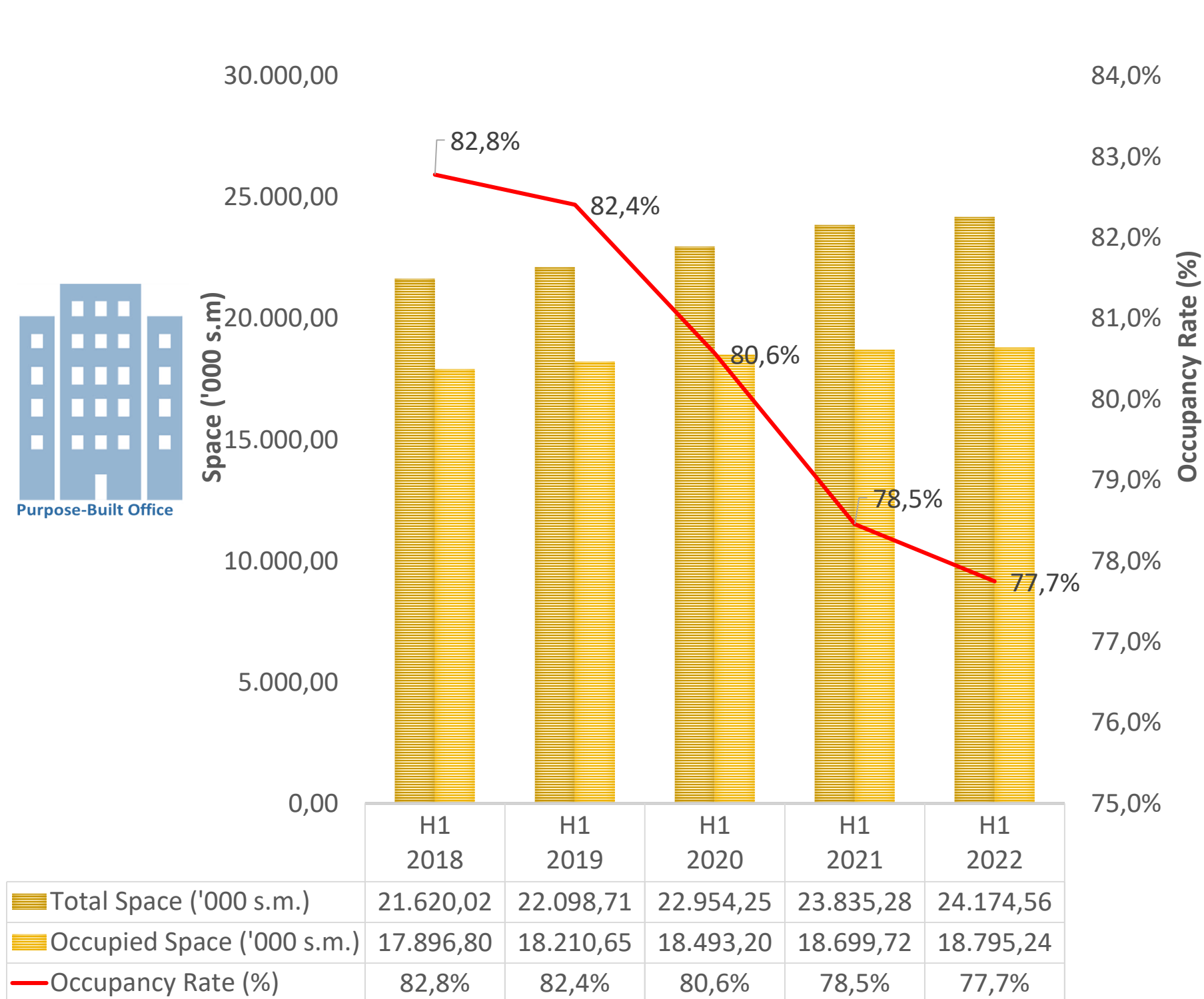
17.359 million s.m.

13.137 million s.m.

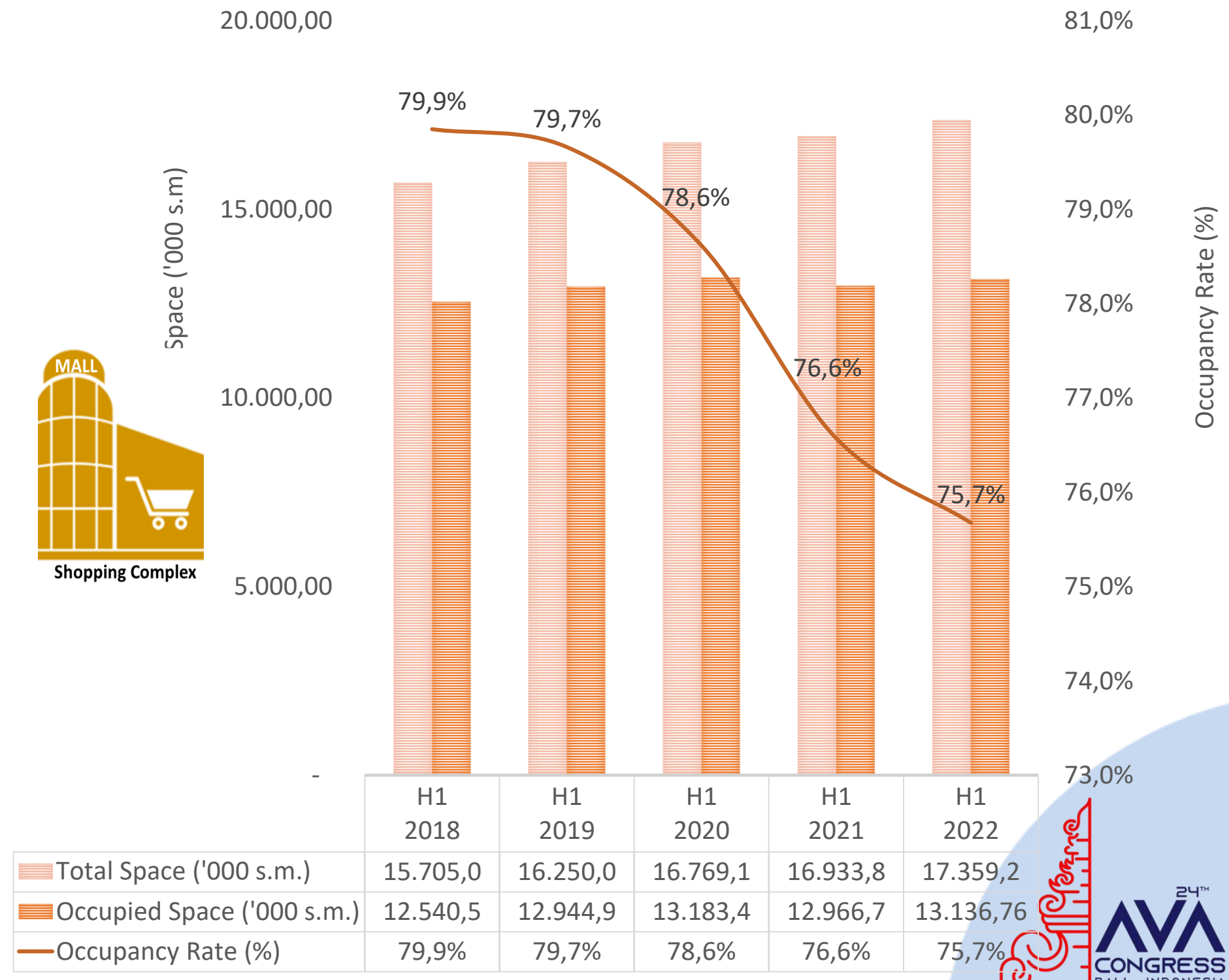
PROPERTY MARKET STATUS H1 2022

TREND OF SUPPLY & OCCUPANCY

Purpose-Built Office



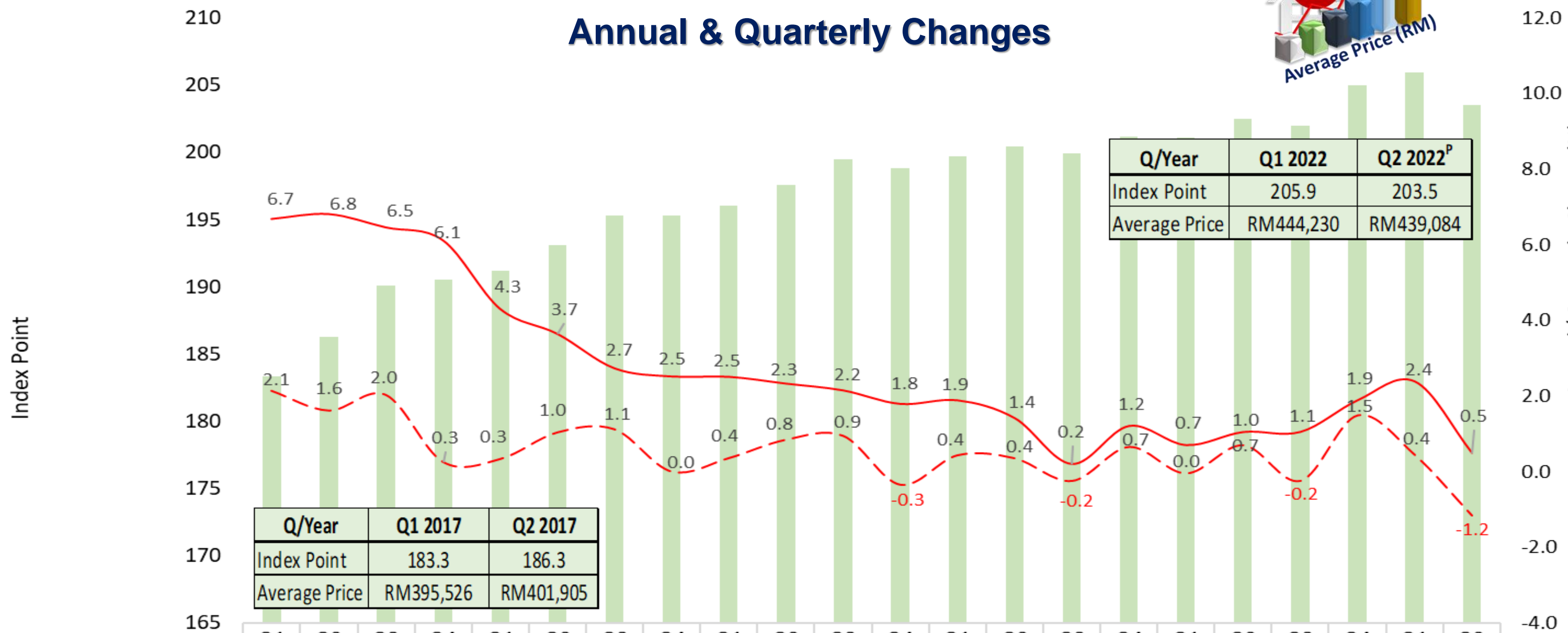
Shopping Complex



MALAYSIA HOUSE PRICE INDEX



Annual & Quarterly Changes



Q/Year	Q1 2022	Q2 2022 ^P
Index Point	205.9	203.5
Average Price	RM444,230	RM439,084

Q/Year	Q1 2017	Q2 2017
Index Point	183.3	186.3
Average Price	RM395,526	RM401,905

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22P
Index Point	183.3	186.3	190.1	190.5	191.2	193.1	195.3	195.3	196.0	197.6	199.5	198.8	199.7	200.4	199.9	201.2	201.1	202.5	202.0	205.0	205.9	203.5
Annual Change (%)	6.7	6.8	6.5	6.1	4.3	3.7	2.7	2.5	2.5	2.3	2.2	1.8	1.9	1.4	0.2	1.2	0.7	1.0	1.1	1.9	2.4	0.5
Quarterly Change (%)	2.1	1.6	2.0	0.3	0.3	1.0	1.1	0.0	0.4	0.8	0.9	-0.3	0.4	0.4	-0.2	0.7	0.0	0.7	-0.2	1.5	0.4	-1.2



ESG

SUSTAINABILITY IN MALAYSIA

Budget 2023 - Third Focus : Economic Prosperity

Budget 2023 Measures

Initiative 1: Carbon Neutral Commitment 2050

1. Extension of Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE)
 - For application received by MIDA from 1st January 2024 till 31st December 2025
 - Improve the incentive for solar activity including Battery Energy Storage System (BESS)
2. Green Technology Financing Scheme (GTFS) **(RM3b)**
 - Guarantee value increases to RM3 bil until 2025
 - Financing scope is extended specifically to the EV sector with a guarantee by government up to 60%
 - Waste management sector's financing guarantee will be increased up to 80%
3. BNM's financing facility
 - High Tech and Green Facility to support innovative sustainable technology startups **(RM1b)**
 - Low Carbon Transition Facility to assist SME companies applying low carbon practices **(RM1b)**
4. Khazanah Nasional Impact Fund **(RM150m)**
 - Development of environmentally friendly projects including supporting carbon markets and restoration of degraded forests
5. GENTARI initiative
 - Installation of solar panels in Government and commercial facilities by 2024
 - 500 units of EV charging facilities nationwide
6. TNB initiative
 - Solar rooftop installation in Government buildings at Putrajaya **(RM75m)**
 - Installation of EV charging facilities at 70 key locations **(RM90m)**
7. Tax incentive to encourage EV usage
 - Import and excise duty exemption on imported CBU EV vehicles is extended to 31 December 2024
 - Approved Permit (AP) fee exemption for import of EV transport until 31 December 2023

Strategy 3: Embracing Sustainability Agenda

Budget 2023 Measures

- 100% income tax exemption on statutory income from assessment year 2023 until 2032 or Investment Tax Allowance (ITA) of 100% for EV charging equipment manufacturers
 - Tax deduction for EV rental companies with a maximum taxable amount limited to RM300k
8. Pulau Tuba Langkawi as low carbon island **(RM1m)**
 - Purchase rebate up to RM4,000 to motorcycle rental businesses which replaces existing motorcycle to electric motorcycle
 9. Government Green Procurement (GGP)
 - To achieve 25% GGP by 2025
 - To extend to State Governments and Local Authorities
 - Promote the use and production of green products and services at the State level
 10. Tax deduction for sponsorship of Smart AI-Driven Reverse Vending Machine
 11. Feasibility study on carbon price mechanism including carbon tax
 12. Matching grant for carbon assessment preparation **(RM10m)**
 13. Business Sustainability and Green Financing Scheme **(RM17m)**
 14. Sustainability Incentive Scheme **(RM10m)** and Juara Lestari Scheme **(RM1m)** under SME Bank
 15. Tax deduction for a period of 5 year on issuance cost of SRI-linked Sukuk



CURRENT

GOVERNMENT BUILDING

Emission reduction
10.9 ktCO₂eq (2014)

PRIVATE BUILDINGS

Emission reduction
60.4 ktCO₂eq (2013)

GREEN BUILDING



550
(2020) >> 1,750
(2030)

Total number of
green buildings

MOVING FORWARD

GOVERNMENT BUILDING

Targeted Emission reduction
98.2 ktCO₂eq (2020)

PRIVATE BUILDINGS

Targeted Emission reduction
858.4 ktCO₂eq (2020)

SUSTAINABLE CONSTRUCTION PRACTICES

24%
of RM10million - RM15
million target public
projects achieved
70 IBS score

14%
of RM10 million and
above target private
projects achieved
50 IBS score

100%
of RM 10 million -
RM15 million target
public projects
achieved 70 IBS score

100%
of RM10 million and
above target private
projects achieved
50 IBS score

EXISTING INITIATIVES

Green Building Design

- Green building rating tools, e.g. Green Building Index (GBI), Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST), Penarafan Hijau (pH);
- Government lead by example;
- Human capital development courses by respective green building rating tool implementers

Sustainable Construction Practice

- Institutional framework to improve adoption rate of Industrialised Building Systems (i.e. Construction Industry Transformation Programme, green building rating tools, and formal public-private collaboration)

Green Building Materials

- Green product directories

WAY FORWARD

Green Building Design

- Energy Audit Conditional Grant
- Near Zero Energy Buildings targets
- Standardisation of green rating tools
- Malaysia Standard for construction specifications
- Centre of Excellence (CoE) by CIDB

Sustainable construction practice

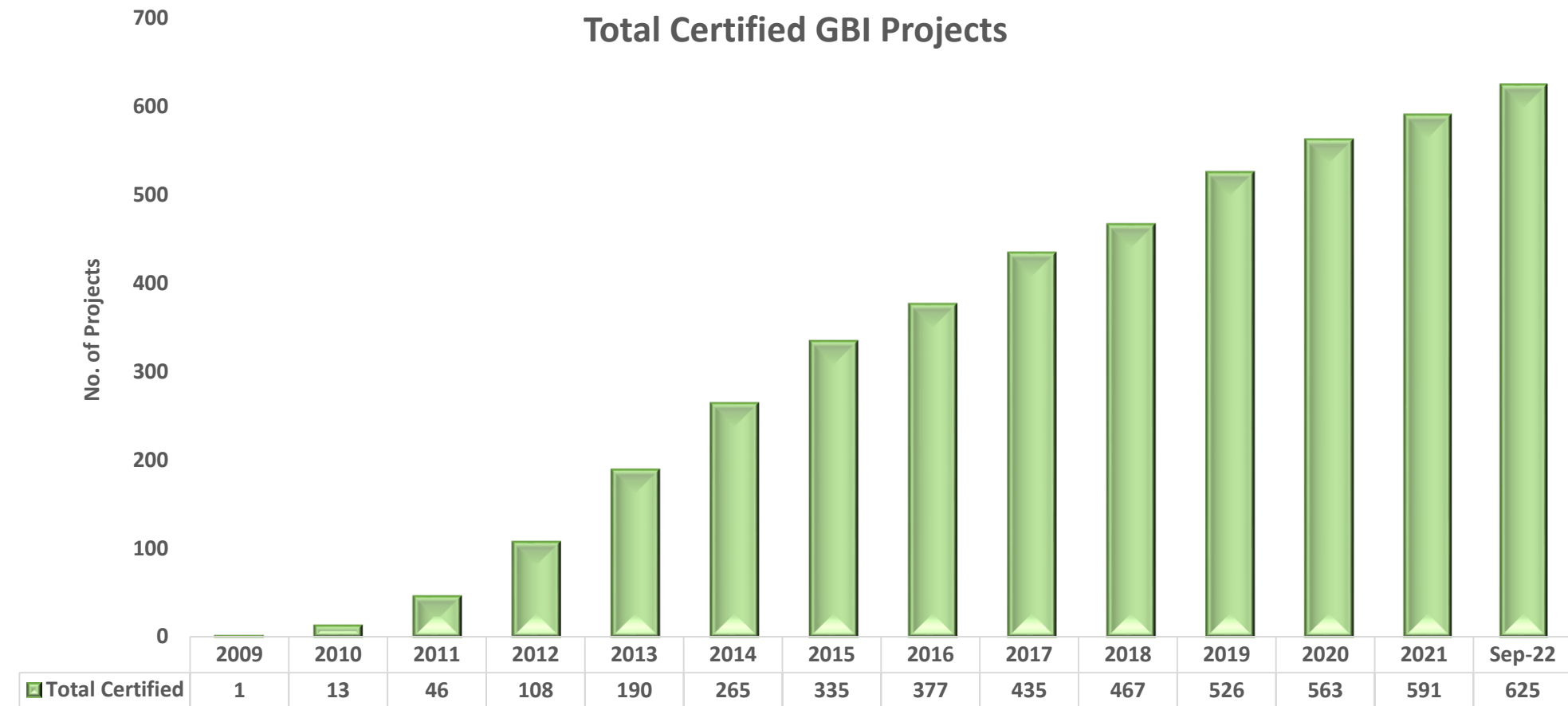
- Continuous implementation of the CITP
- Improving the financial viability of IBS through tax incentives
- Developing competencies via CoE

Green building materials

- Policy framework to be agile to enable recycling of C&D materials



The Green Building Index (GBI) is Malaysia's industry recognized green rating tool for buildings to promote sustainability in the built environment and raise awareness among Developers, Architects, Engineers, Planners, Designers, Contractors and the Public about environmental issues and our responsibility to the future generations.



ASSESSMENT CRITERIA
OVERALL POINTS SCORE

PART	ITEM	MAXIMUM POINTS	SCORE
1	Energy Efficiency	35	
2	Indoor Environmental Quality	21	
3	Sustainable Site Planning & Management	16	
4	Material & Resources	11	
5	Water Efficiency	10	
6	Innovation	7	
TOTAL SCORE		100	



Table 1: GBI Project Register - by Categories

Stage	TOTAL AS OF 30 SEPTEMBER 2022	NRNC NON RESIDENTIAL NEW CONSTRUCTION	RNC RESIDENTIAL NEW CONSTRUCTION	NREB NON RESIDENTIAL EXISTING BUILDING	INC INDUSTRIAL NEW CONSTRUCTION	IEB INDUSTRIAL EXISTING BUILDING	ID INTERIOR	T TOWNSHIP
Applied	1,181	637	381	56	64	9	10	24
Registered	1,105	596	360	53	55	8	10	23
Total Certified	625	326 (52%)	218 (36%)	30 (5%)	24 (3%)	4 (1%)	8 (1%)	15 (2%)
Provisional Certification DA/PA	397	219	134	11	15	1	4	13
Final Planning Certification FPA	2	N/A	N/A	N/A	N/A	N/A	N/A	2
Final Certification CVA	188	78	84	14	6	2	4	-
Renewal Certification RVA	38	29	-	5	3	1	-	-



Table 2: GBI Project Register - by States / Territories

State / Territory	Nos. Registered	Nos. Rated	State / Territory	Nos. Registered	Nos. Rated
Kuala Lumpur	310	220	Perak	13	8
Selangor	374	201	Pahang	11	4
Penang	152	63	Negeri Sembilan	19	10
Putrajaya	41	31	Kelantan	2	1
Johor	112	53	Kedah	9	4
Melaka	18	8	Perlis	-	-
Sarawak	28	17	Terengganu	2	1
Sabah	14	4	Labuan	-	-



Table 3: GBI Project Registry - by Rating Level

Rating Level	TOTAL AS OF 30 SEPTEMBER 2022	NRNC NON RESIDENTIAL NEW CONSTRUCTION	RNC RESIDENTIAL NEW CONSTRUCTION	NREB NON RESIDENTIAL EXISTING BUILDING	INC INDUSTRIAL NEW CONSTRUCTION	IEB INDUSTRIAL EXISTING BUILDING	ID INTERIOR	T TOWNSHIP
PLATINUM 86 TO 100 POINTS	24 (4%)	15	7	1	-	-	-	1
GOLD 76 TO 85 POINTS	121 (19%)	67	42	3	2	1	3	3
SILVER 66 TO 75 POINTS	78 (12%)	46	19	2	5	-	1	5
CERTIFIED 50 TO 65 POINTS	402 (65%)	198	150	24	17	3	4	6
Total Certified	625	326	218	30	24	4	8	15



Table 4: Gross Floor Area (GFA) of GBI Rated Buildings

	TOTAL AS OF 30 SEPTEMBER 2022	NRNC NON RESIDENTIAL NEW CONSTRUCTION	RNC RESIDENTIAL NEW CONSTRUCTION	NREB NON RESIDENTIAL EXISTING BUILDING	INC INDUSTRIAL NEW CONSTRUCTION	IEB INDUSTRIAL EXISTING BUILDING	ID INTERIOR
Gross Floor Area, sqm	26.5 million (285.0 million sqft)	11.4 million (42.94%)	12.8 million (48.23%)	1.4 million (5.43%)	799,843.66 (3.02%)	72,120.12 (0.27%)	25,082.39 (0.09%)



Table 5: Carbon Dioxide (CO2) Emission Reduction of GBI Rated Buildings

CO ₂ Reduction Projection	TOTAL AS OF 30 SEPTEMBER 2022	NRNC NON RESIDENTIAL NEW CONSTRUCTION	RNC RESIDENTIAL NEW CONSTRUCTION	NREB NON RESIDENTIAL EXISTING BUILDING	INC INDUSTRIAL NEW CONSTRUCTION	IEB INDUSTRIAL EXISTING BUILDING	ID INTERIOR
CO ₂ Emission Reduction (ktCO ₂ e/annum, based on electricity energy reduction only @ 1kWh = 0.296 kg CO ₂ e - Peninsular, 0.699 kg CO ₂ e - Sarawak, 0.536 kg CO ₂ e - Sabah)	1,508	983 (65.19%)	310 (20.55%)	168 (11.14%)	29 (1.90%)	17 (1.15%)	1 (0.07%)

Property Valuation With Green Features

Contribution of green features in residential property valuation by using comparison approach

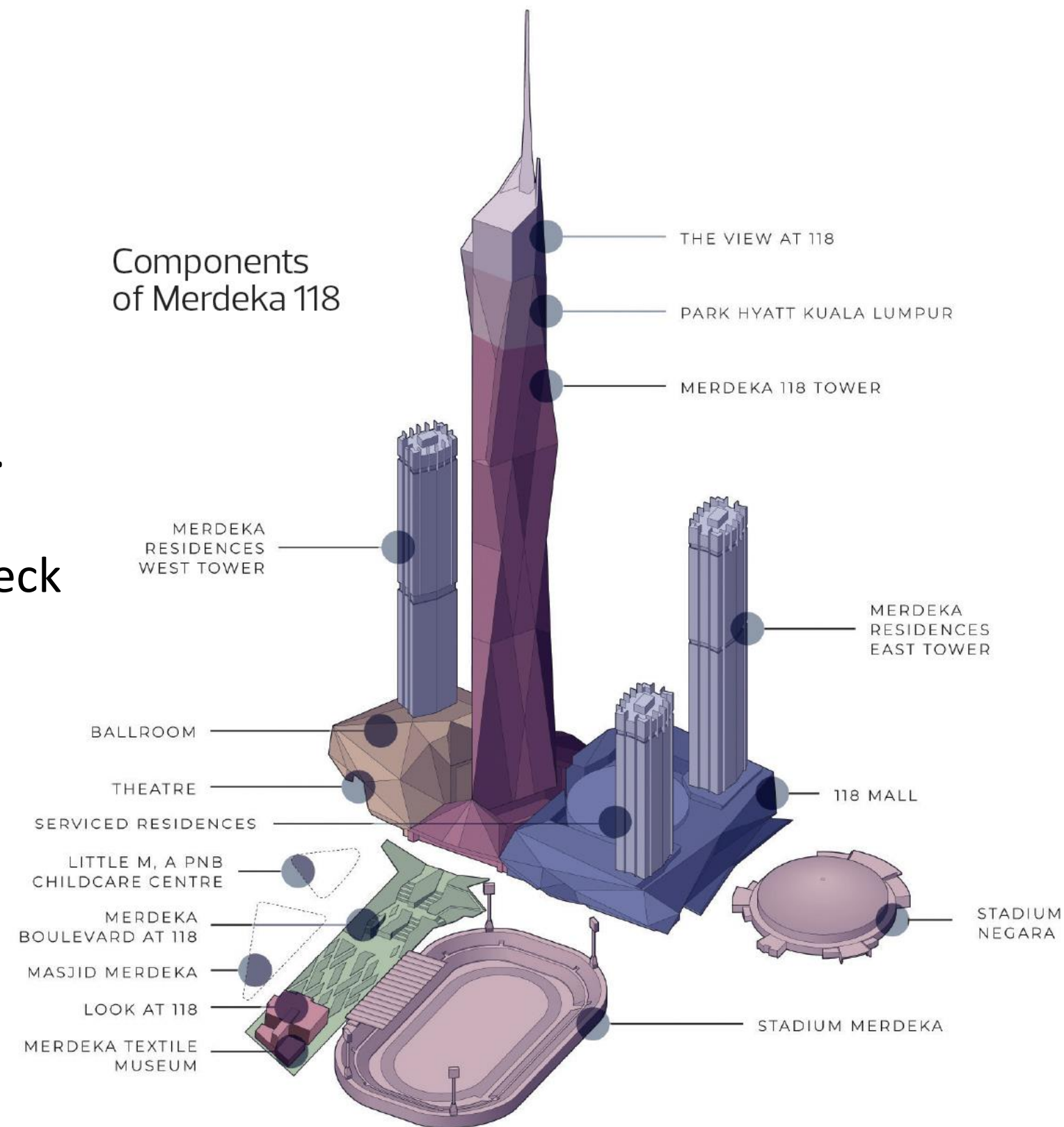
	Green features	Range (%)
<i>A</i>	<i>Energy efficiency (EE)</i>	
	Solar photovoltaic	3.0–6.0
	Solar shading devices	2.0–6.0
	Wall insulation materials	3.0–6.0
	High-performance glazing	3.0–6.0
	Green roof	3.0–6.5
	Lighting with motion sensor	2.0–5.0
<i>B</i>	<i>Indoor environment quality (IEQ)</i>	
	Low-toxicity finishes and furnishing	2.0–5.5
	Natural ventilation design	2.5–5.5
	Sufficient daylighting	2.0–5.0
	Sound insulation design	2.0–5.0
<i>C</i>	<i>Water efficiency (WE)</i>	
	Water-efficient fittings	2.0–5.0
	Rainwater harvesting system	2.0–5.0
<i>D</i>	<i>Innovation and others (IO)</i>	
	Building passive cooling design	3.0–6.0
	Other innovations	2.0–5.0

Table 2.
Range of adjustment
for each green feature

Green Mega Project

MERDEKA 118

- Triple platinum green ratings
- 118 floors include 1.7 million sq ft of net lettable office space
- Top 17 floors - Park Hyatt Hotel in Malaysia.
- The View at 118, the highest observation deck in South-East Asia
- Construction: 92%
- Completion by mid-2023



Green Mega Project

IOI CITY MALL PUTRAJAYA



- Phase 2 Completed – 25th August 2022
- Total Net lettable area - 2.5 million sq ft
- Green building index (GBI) certification under non-residential existing building
- 15 badminton courts and 2 futsal arenas
- Pillar-less Grand Exhibition and Convention Center - consists of 2 convention halls, a pre-function area, at a total size of 41,294sqf.
- 16,600 carparks

SUMMARY

- The property market recorded a **rebound** in H1 2022.
- **Economic growth in 2023 to be supported** by domestic demand amid global slowdown
- **Property market performance is expected to be on track** due to implementation of various government initiatives and assistance.

Thank You!



AMY ANAK PIRAH
amy@jp-ph.gov.my