

MALAYSIA



ASEAN Valuers Association
25th AVA CONGRESS
2023

Riverside Majestic Hotel, Kuching,
Sarawak, MALAYSIA

Scaling new heights in **Real Estate and Business Valuation** 18 - 20 SEPT 2023



Malaysia Country Report 2023

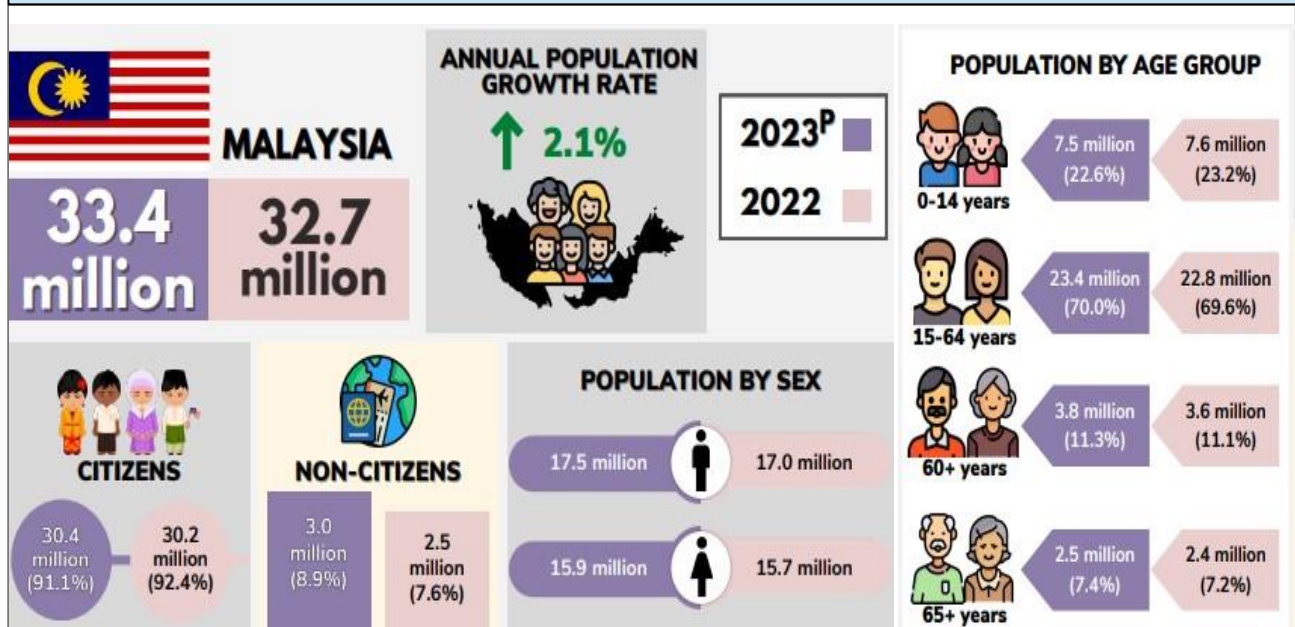


Presentation Outline



Malaysia Demographics

Current Population Estimates, Malaysia 2023



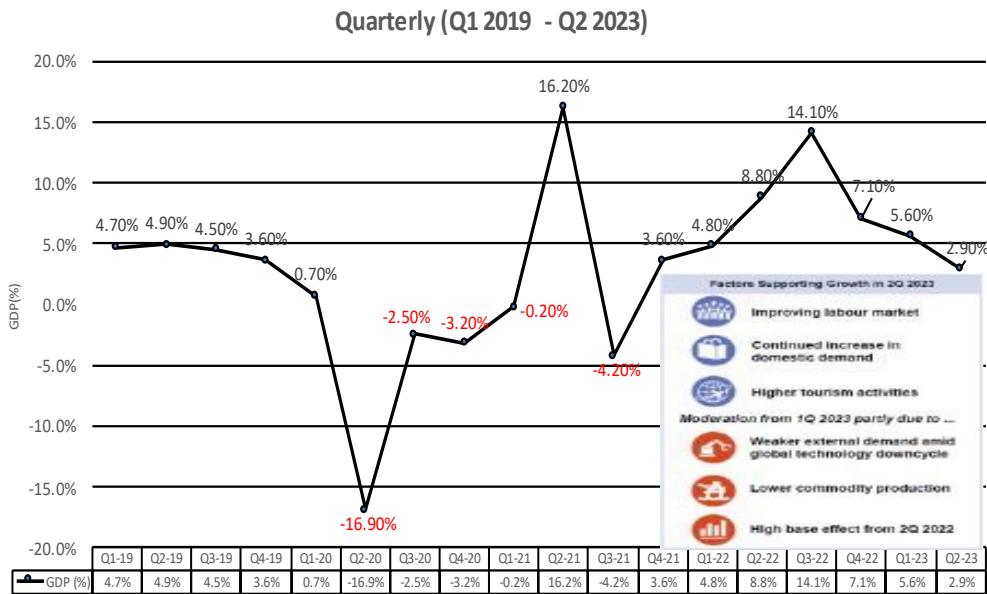
Malaysia Demographic



Malaysia's Economic Background



Malaysia's Gross Domestic Product (GDP) Growth (Y-o-Y)



Real GDP Growth Y-o-Y

Q2 2023 : +2.9%

Q1 2023 : +5.6%
 Q4 2023 : +7.1%
 Q3 2022 : +14.1%
 Q2 2022 : +8.8%

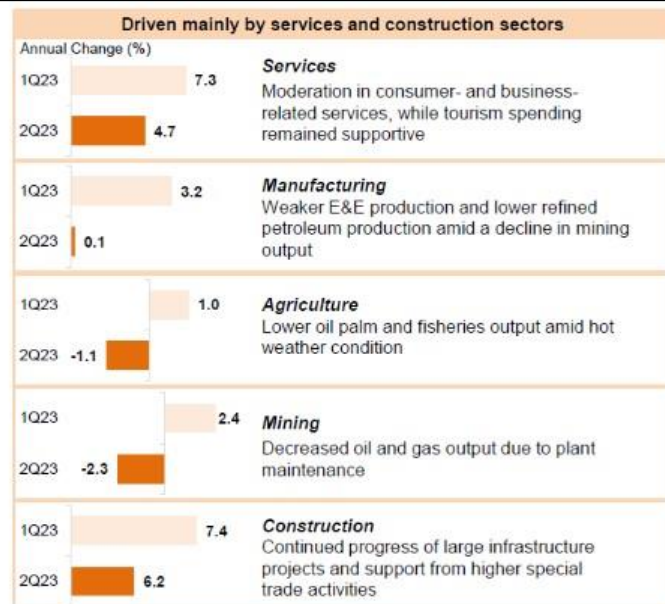
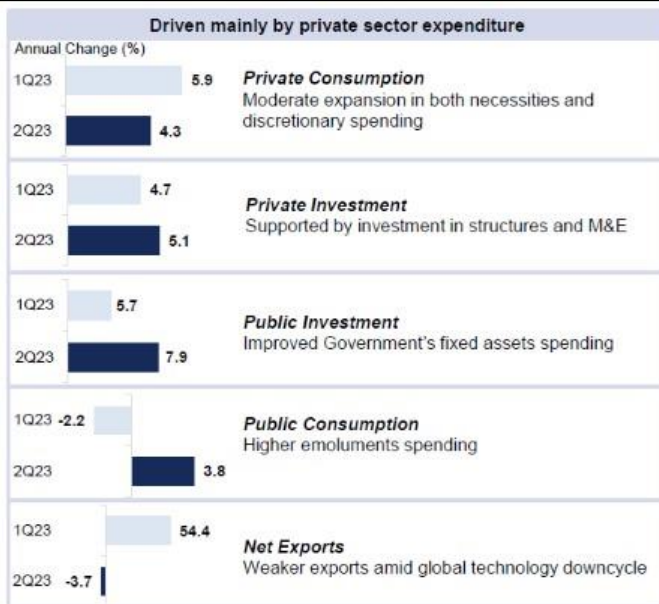
H1 2023 : +4.2%

4.0%-5.0% (2023)
 (BNM projection)

2022: 8.7%
 2021: 3.1%
 2020: -5.6%
 2019: 4.3%

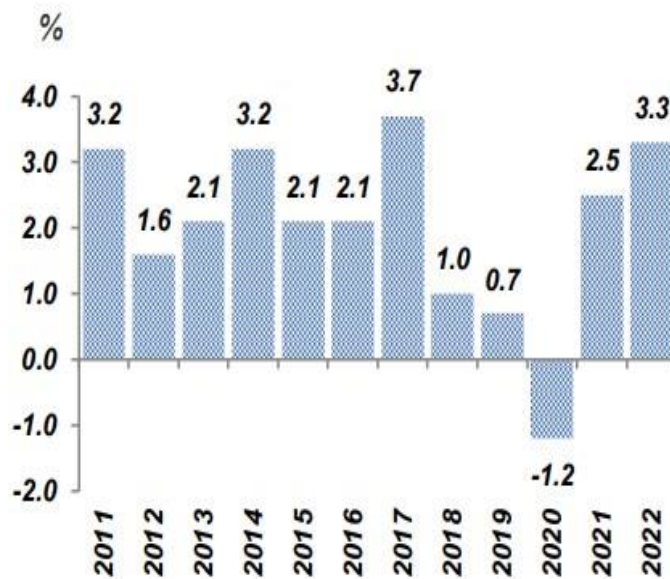
Source : Department of Statistics Malaysia / Bank Negara Malaysia

Growth underpinned by domestic demand and tourism activities



Source : Bank Negara Malaysia

Annual Inflation, Malaysia (2011 – 2022)



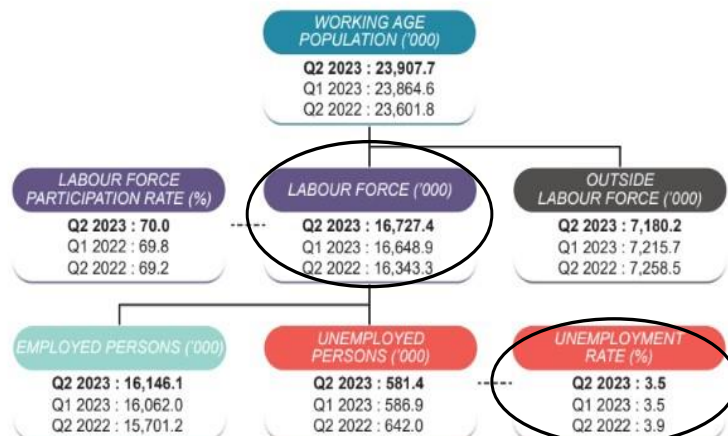
Month/Year	Inflation Rate (%)
Jan-23	3.7
Feb-23	3.7
Mar-23	3.4
Apr-23	3.3
May-23	2.8
Jun-23	2.4
Jul-23	2.0

Consumer Price Index (2010=100)
Source : Department of Statistics Malaysia

9

Labour Force, Malaysia, Q2 2023

Principal Statistics of Labour Force, Malaysia, Second Quarter of 2022, First Quarter of 2023 & Second Quarter of 2023



Source : Department of Statistics Malaysia

10

Per Capita Income, Malaysia

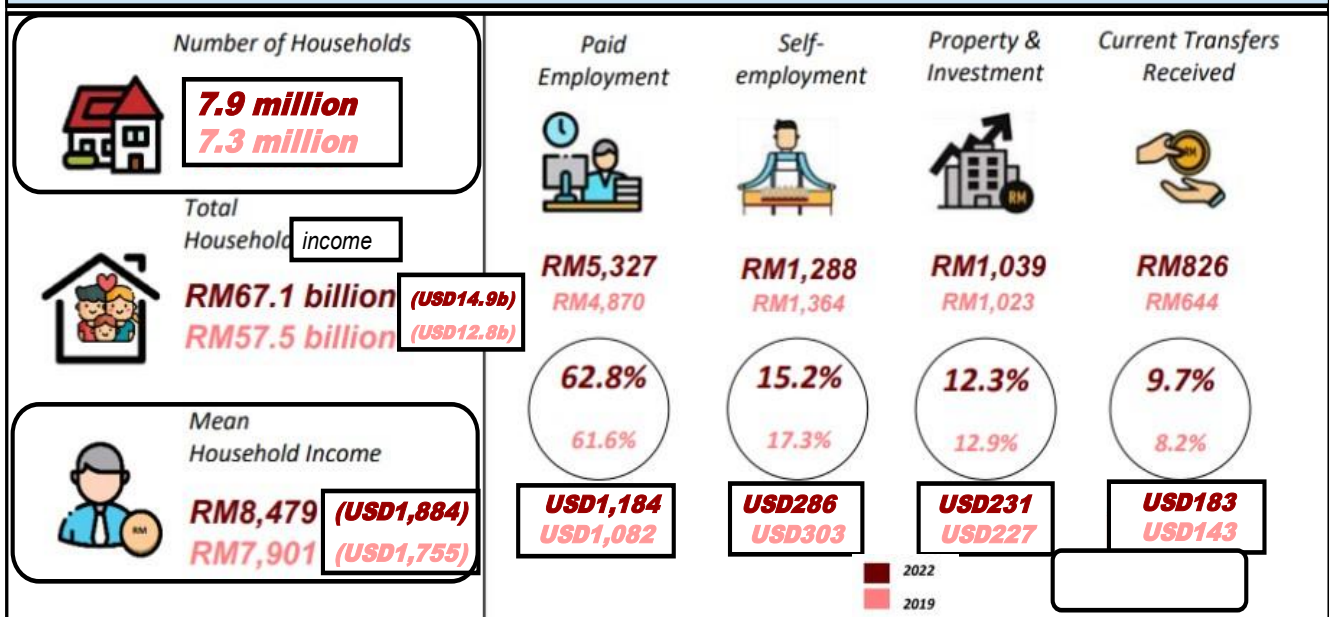


	Per capita Income (RM)	Per capita Income (USD)	% Change
2017	41,627	9,250	
2018	43,307	9,624	4.0
2019	45,212	10,047	4.4
2020	42,823	9,516	-5.3
2021	46,163	10,258	7.8
2022	52,819	11,738	14.4
2023f	55,186	12,264	4.5

Source : Bank Negara Malaysia

11

Monthly Mean Household Gross Income Malaysia



Source : Department of Statistics Malaysia

12

Overnight Policy Rate (OPR), MALAYSIA (2005 – 2023)

Overnight Policy Rate (OPR)

Latest (7 Sept 2023)

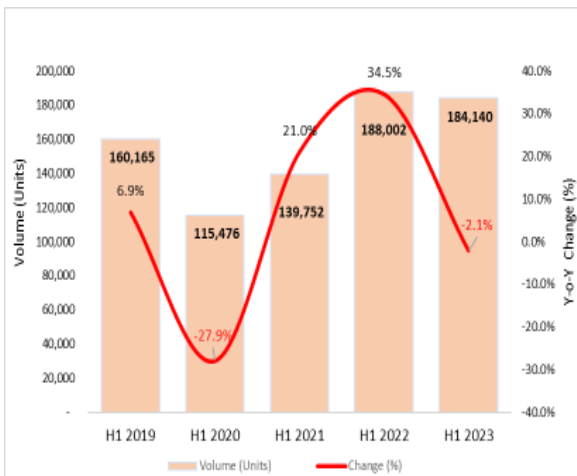


Property Market Overview H1 2023

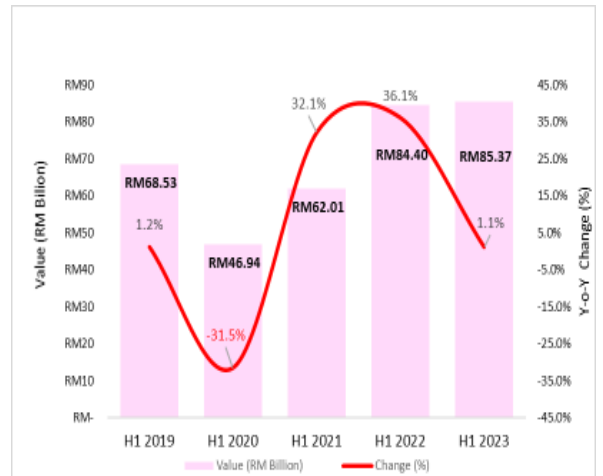


Malaysia: Volume & Value of Transactions

Overall Volume of Transactions H1 2019 – H1 2023



Overall Value of Transactions H1 2019 – H1 2023



H1 2023 184,140 Transactions
H1 2022 188,002 Transactions



Volume
-2.1%

H1 2023 RM85.37 Billion
(USD 18.97 Billion)
H1 2022 RM84.40 Billion
(USD 18.76 Billion)

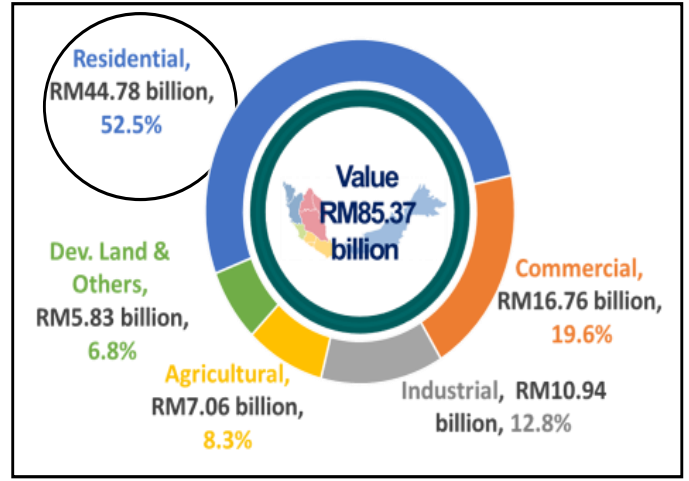
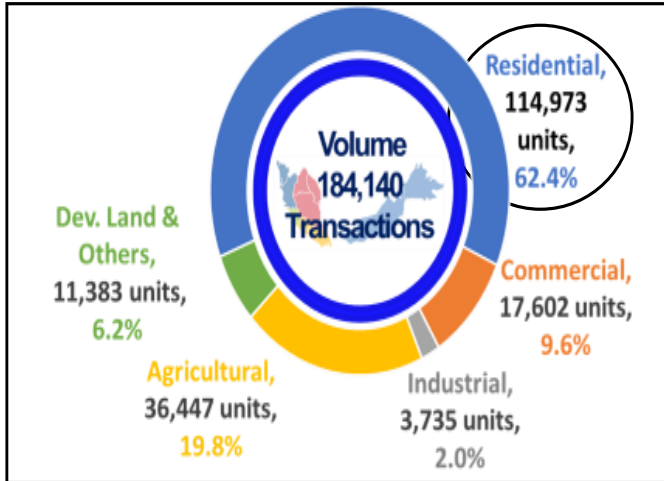


Value
1.1%

Malaysia: Volume & Value of Transactions by Sub-sector H 1 2023

Contribution to Transaction Volume by Sub-sector

Contribution to Transaction Value by Sub-sector

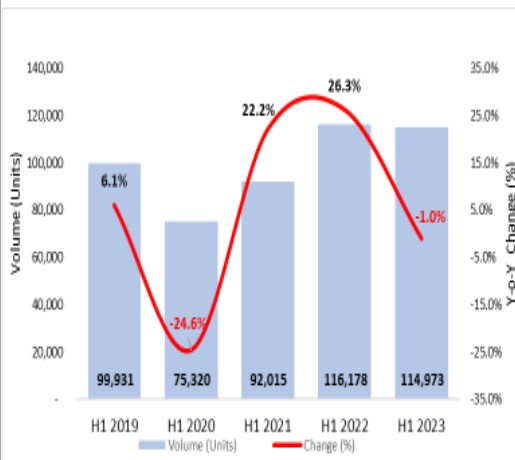


Residential Property Market



Residential Property Transactions H1 2023

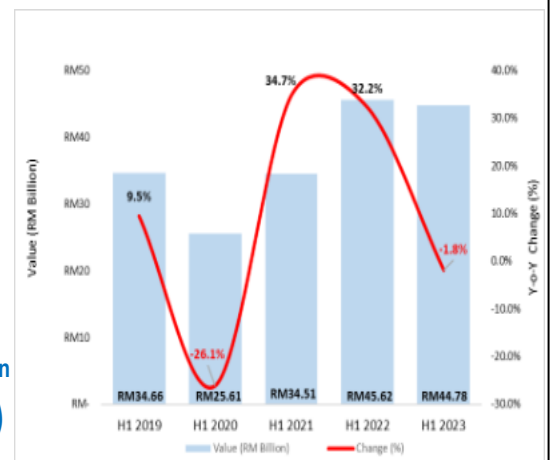
Residential Transaction Volume Trend H1 2019- H1 2023



Residential Property

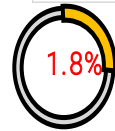
 Total Residential Transactions
114,973 Units
RM44.78 Billion
(USD9.95 Billion)

Residential Transaction Value Trend H1 2019- H1 2023



Decreased in volume year

- on - year



Decreased in value year

- on - year

Malaysian House Price Index (MHPI)



All House

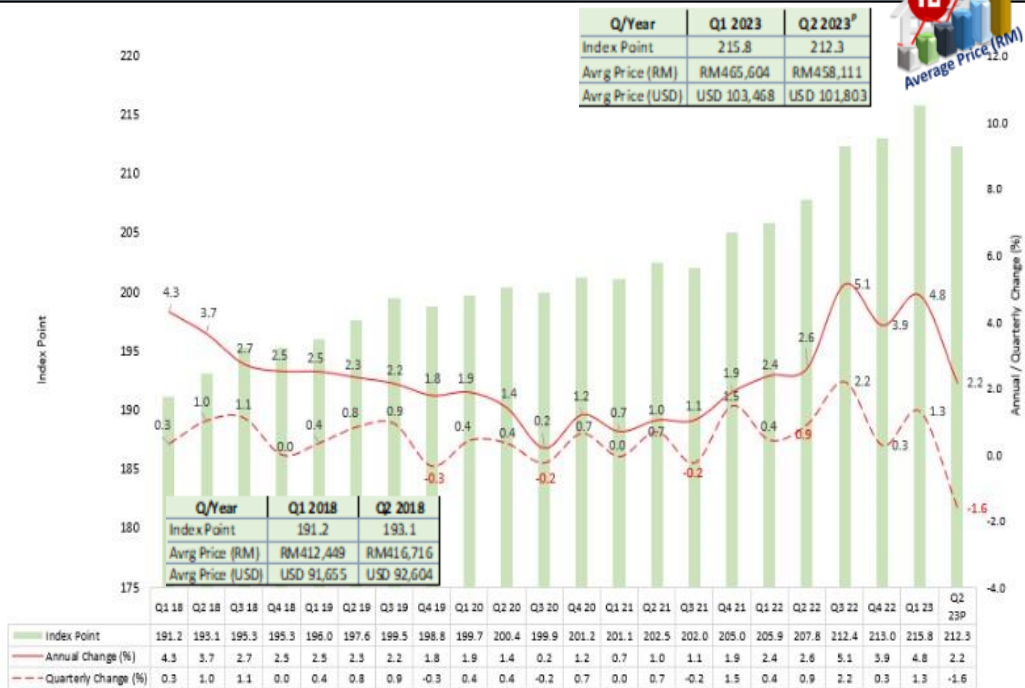
Year-on Year Change
(Q2 2023^P vs Q2 2022)

▲ 2.2%

Year	2010	Q2 2022	Q2 2023 ^P
Index Point	100.0	207.8	212.3
 Average Price (RM)	RM217,857 <i>(USD48,413)</i>	RM448,418 <i>(USD99,648)</i>	RM458,111 <i>(USD101,802)</i>

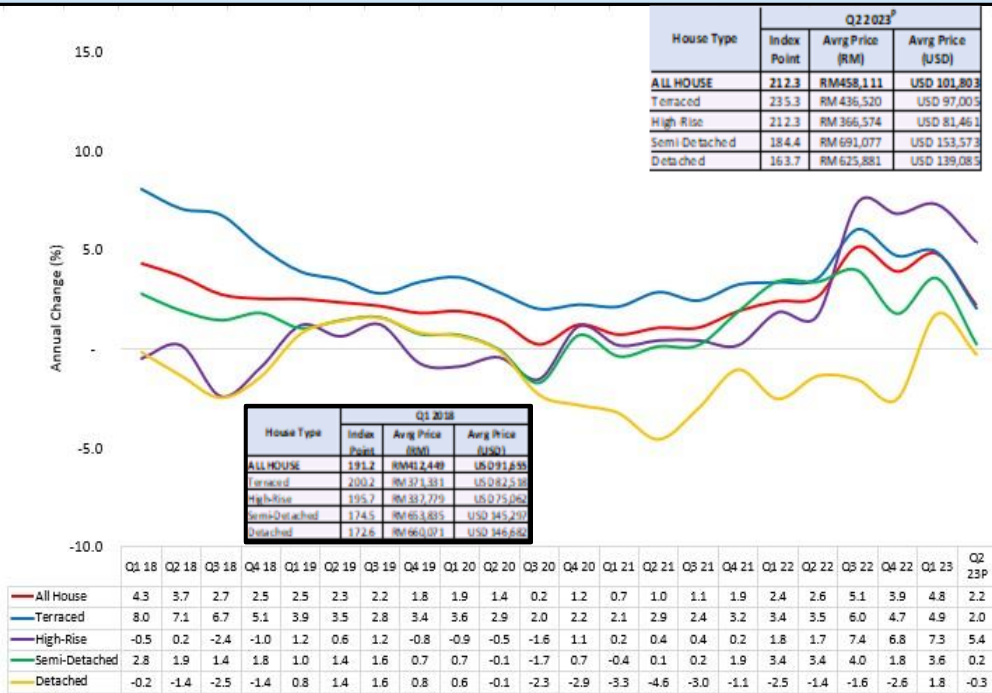
19

Trend of Price Movement Annual & Quarterly Changes



20

Trend of Price Movement by House Type Q1 2018 - Q2 2023^P



Index Point & Average Price By State Q2 2023^P



STATE	AVERAGE PRICE (BASE YEAR: 2010)	Q2 2022		Q2 2023 ^P	
		INDEX POINT	AVERAGE PRICE	INDEX POINT	AVERAGE PRICE <i>(USD 172,283)</i>
KUALA LUMPUR	RM 396,343	191.5	RM 760,249	195.2	RM 775,272
SELANGOR	RM 244,651	212.1	RM 514,365	215.2	RM 521,815
SABAH	RM 255,607	191.7	RM 491,702	193.5	RM 496,251
SARAWAK	RM 255,415	195.0	RM 497,353	193.6	RM 493,647
PULAU PINANG	RM 227,222	198.6	RM 445,386	207.8	RM 466,085
MALAYSIA	RM 217,857	207.8	RM 448,418	212.3	RM 458,111
JOHOR	RM 162,136	246.2	RM 384,271	258.4	RM 403,278
NEGERI SEMBILAN	RM 135,107	218.5	RM 293,365	225.1	RM 302,182
TERENGGANU	RM 163,541	183.0	RM 288,469	182.9	RM 288,253
KEDAH	RM 131,072	208.5	RM 270,956	213.5	RM 277,451
PERAK	RM 115,317	221.8	RM 253,878	224.0	RM 256,428
PAHANG	RM 136,546	192.2	RM 253,639	192.8	RM 254,557
KELANTAN	RM 112,575	215.2	RM 246,278	220.7	RM 252,561
PERLIS	RM 110,442	201.4	RM 219,920	214.1	RM 233,768
MELAKA	RM 110,258	199.5	RM 220,020	206.0	RM 227,231

(USD 50,496)

MHPI: Terraced House Price Q2 2023

MALAYSIA
RM436,520
(USD97,005)

Kuala Lumpur
RM905,820
(USD201,293)

Selangor
RM576,571
(USD128,127)

Pulau Pinang
RM517,417
(USD114,982)

Sabah
RM487,738
(USD108,386)

Sarawak
RM389,398
(USD86,533)

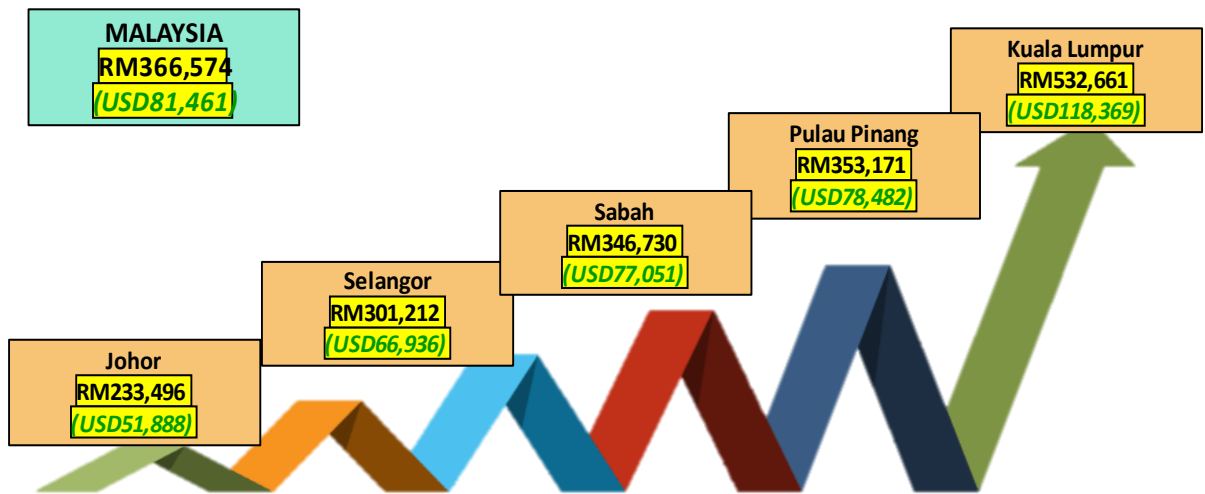
Johor
RM389,358
(USD86,524)

TYPE	MALAYSIA	KUALA LUMPUR	SELANGOR	Johor Bahru	JOHOR	Pulau Pinang (Island)	Seberang Perai	PULAU PINANG	SABAH	SARAWAK
TERR. HOUSE (RM)	436,520	*905,820	576,571	486,315	389,358	*876,206	386,788	517,417	487,738	389,398
(USD)	97,005	201,293	128,127	108,070	86,524	194,712	85,953	114,982	108,386	86,533

	NEGERI SEMBILAN	PERAK	MELAKA	KEDAH	PAHANG	TERENGGANU	KELANTAN	PERLIS
(RM)	277,345	241,170	201,988	218,277	249,659	220,751	211,787	197,691
(USD)	61,632	53,593	44,886	48,506	55,480	49,056	47,064	43,931

* Terraced in WPKL and Pulau Pinang Island – highest price due to scarcity of land.

MHPI: High-Rise Price in Major States Q2 2023



24

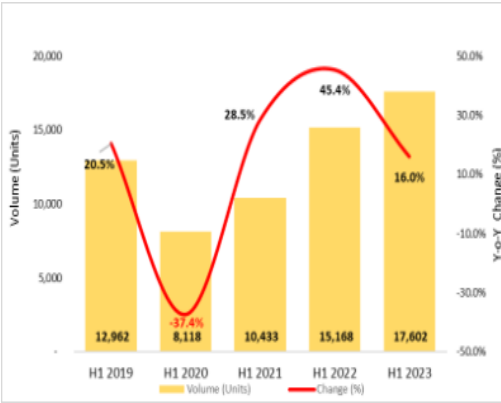
Commercial Property Market



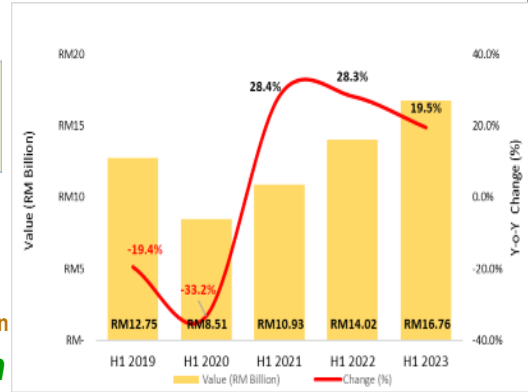
25

Commercial Property Transactions H1 2023

Commercial Transaction Volume Trend H1 2019- H1 2023



Commercial Transaction Value Trend H1 2019- H1 2023



Commercial Property
 Total Commercial Transactions:
17,602 Units
RM16.76 Billion
USD3.72 Billion



Increased in volume year

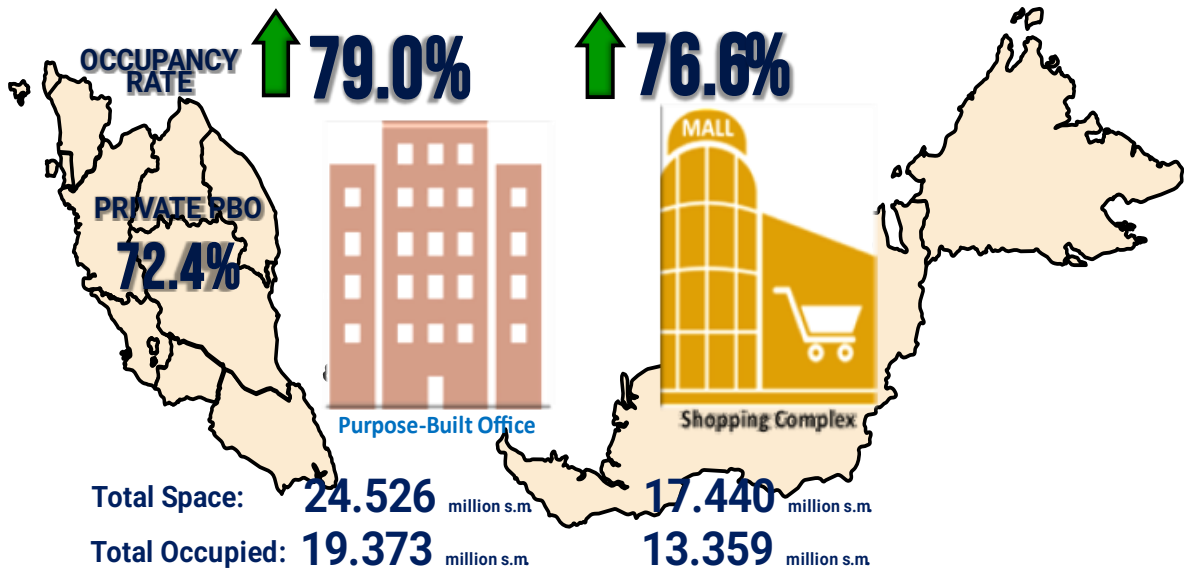
- on - year



Increased in value year

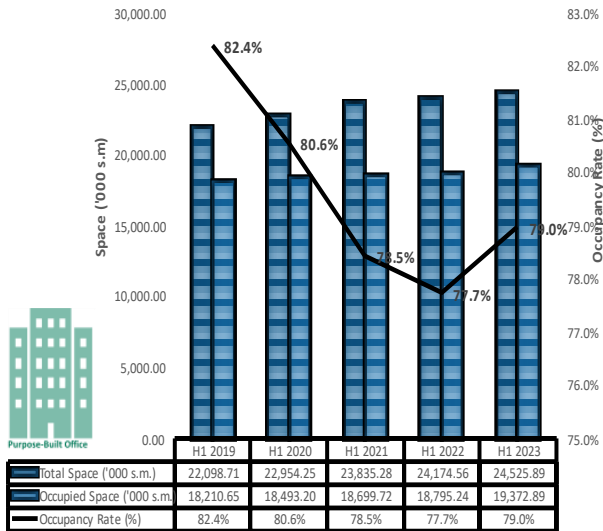
- on - year

Supply & Occupancy H1 2023

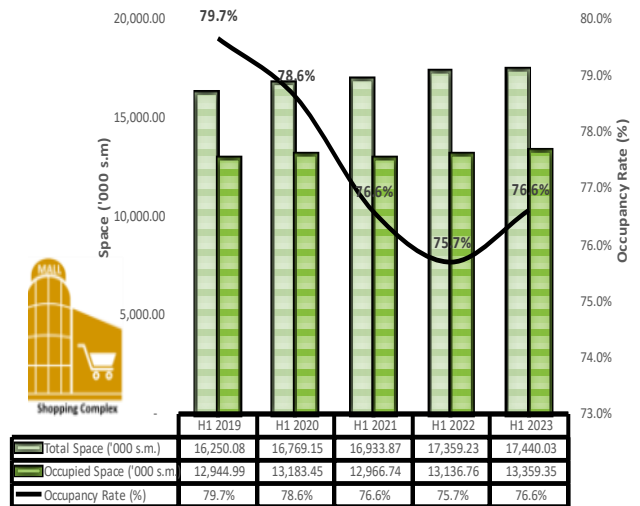


Supply & Occupancy

Purpose-Built Office



Shopping Complex



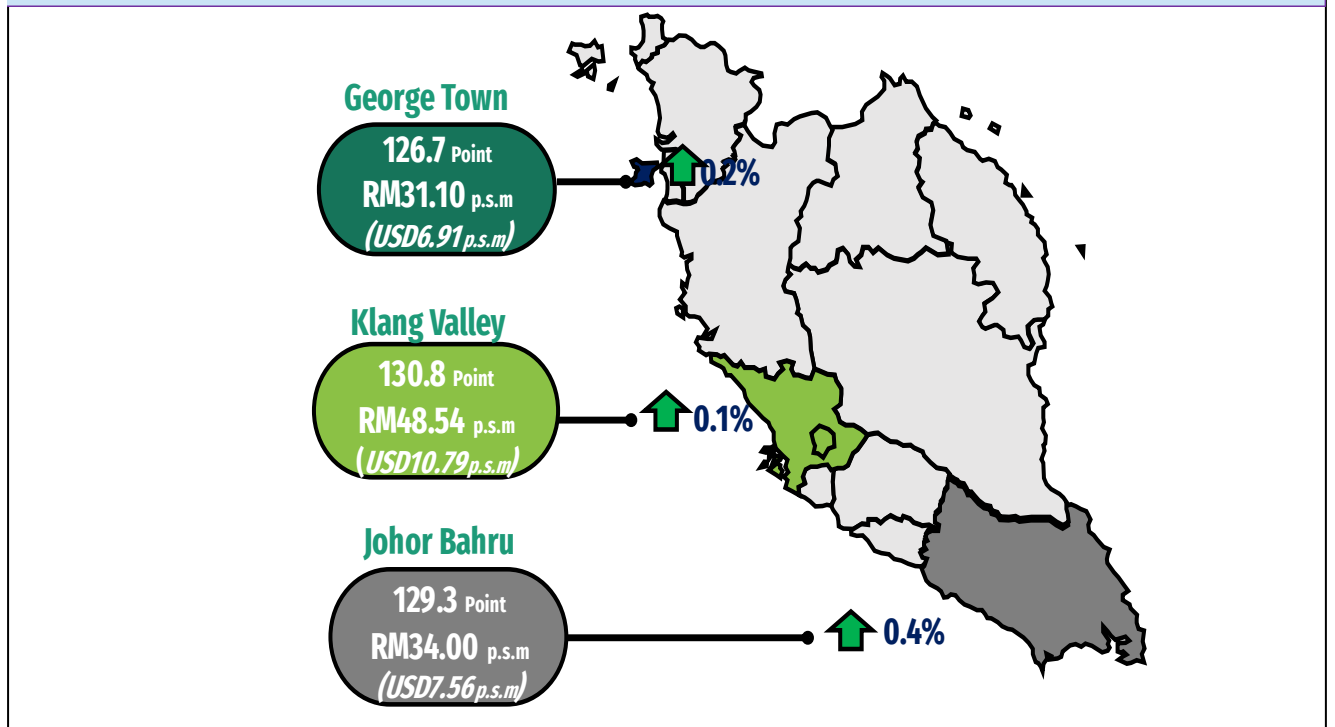
Purpose-Built Office Rental Index (PBO-RI) (Klang Valley, Johor Bahru & Pulau Pinang)



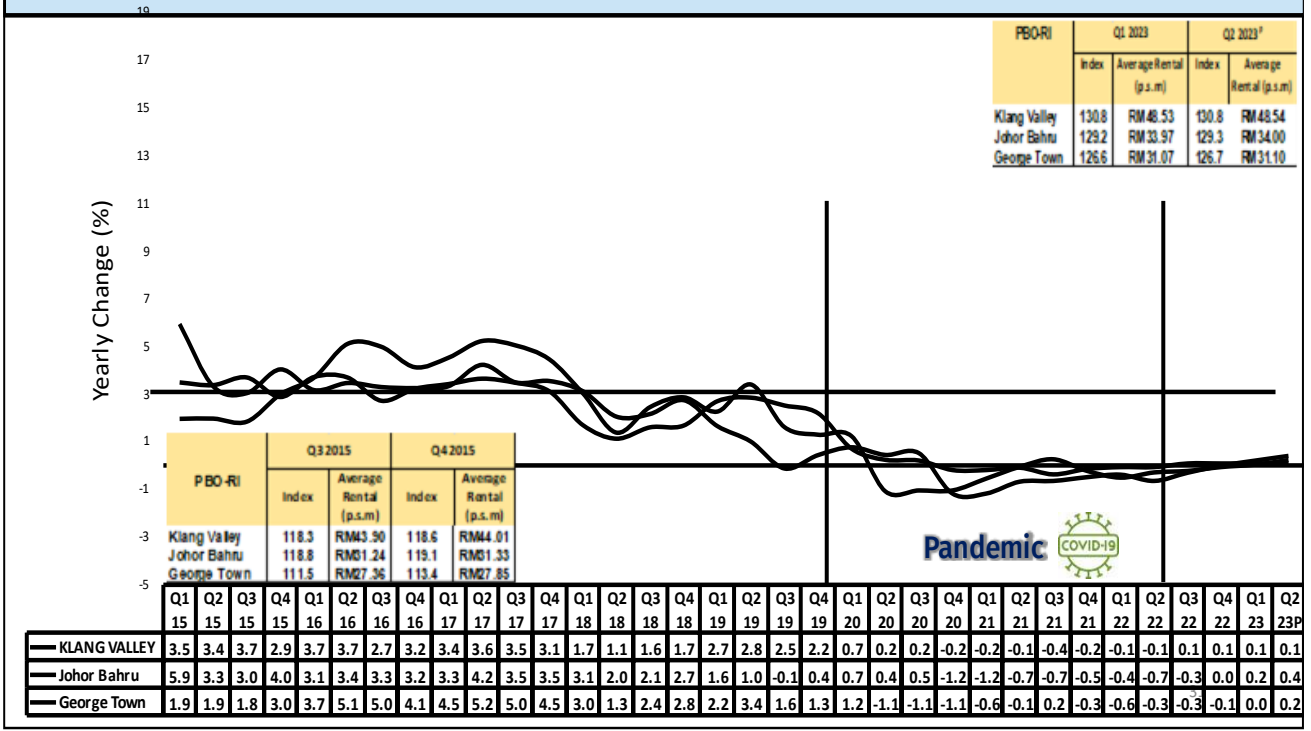
shutterstock.com • 1168357498



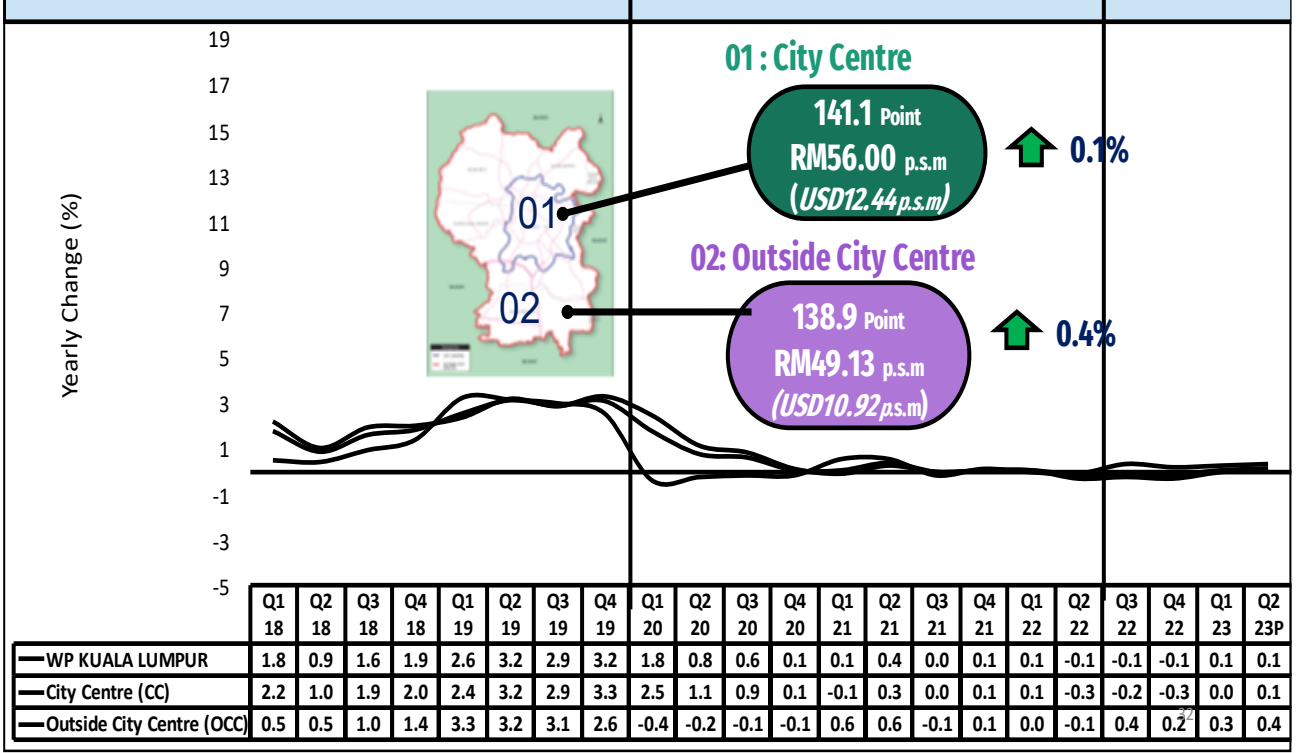
PBO-RI: Index Point, Average Rent & Annual Change Q2 2023^P



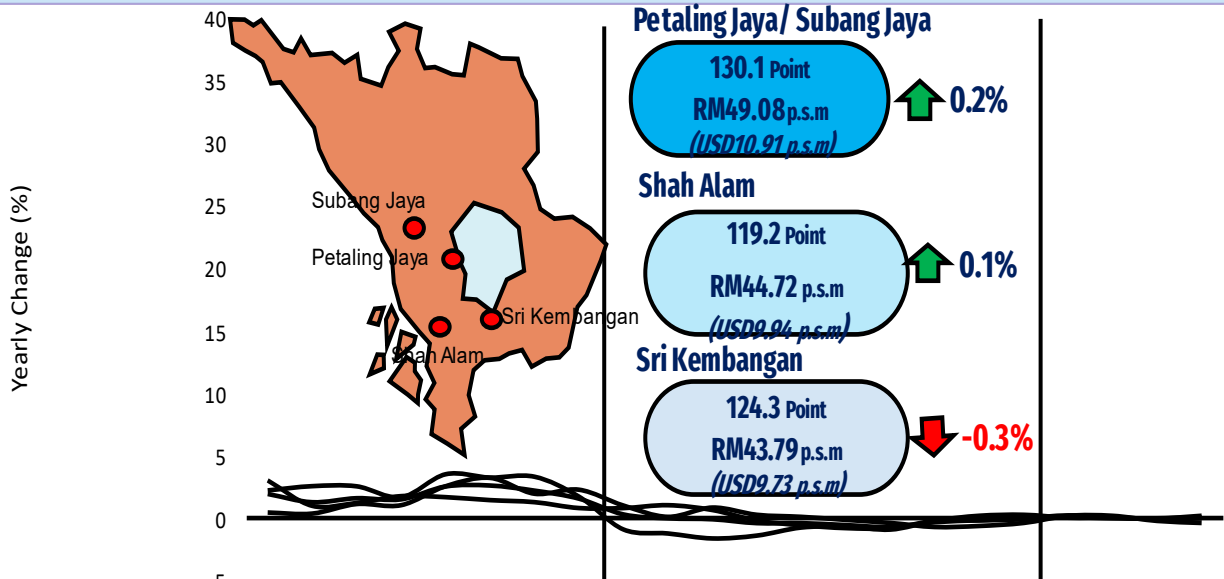
Trend Rental Movement in Major City Q1 2015 – Q2 2023^P



PBO-RI's Trend: Kuala Lumpur & Regions Q1 2018 – Q2 2023^P



PBO-RI's Trend: Selangor & Regions Q1 2018 – Q2 2023^P



	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 22	Q3 22	Q4 22	Q1 23	Q2 23P
— SELANGOR	2.0	1.3	1.7	1.6	2.6	2.7	2.3	1.6	0.3	0.0	-0.1	-0.4	-0.4	-0.6	-0.7	-0.3	-0.2	0.0	0.2	0.1	-0.1	0.0
— Petaling Jaya/ Subang Jaya (PJ/SJ)	3.1	1.0	1.3	1.8	1.7	1.5	1.3	0.9	0.9	1.1	0.7	-0.2	-0.5	-0.8	-0.8	-0.2	0.2	0.3	0.1	0.1	0.0	0.2
— Shah Alam (SA)	2.3	2.6	2.6	1.7	3.6	3.3	3.4	1.8	-0.9	-1.2	-1.6	-1.4	-0.7	-0.7	-0.9	-0.3	-0.2	-0.1	0.1	0.0	0.0	0.1
— Seri kembangan (SK)	0.5	0.4	1.2	1.1	2.6	3.2	2.0	2.3	1.0	0.2	0.9	0.3	0.2	-0.1	-0.3	-0.6	-0.6	-0.3	0.2	0.2	-0.2	-0.3

Klang Valley Shopping Centre Rental Index (KV SG-RI)



Introduction of Retail Sub-sector

- The retail sub -sector grew at a moderate pace as economic activity fully opened in Q2 2022.
- After the phenomenon of " *revenge shopping*" in early 2022, retail business activity returned to normal in Q2 2023 ^P

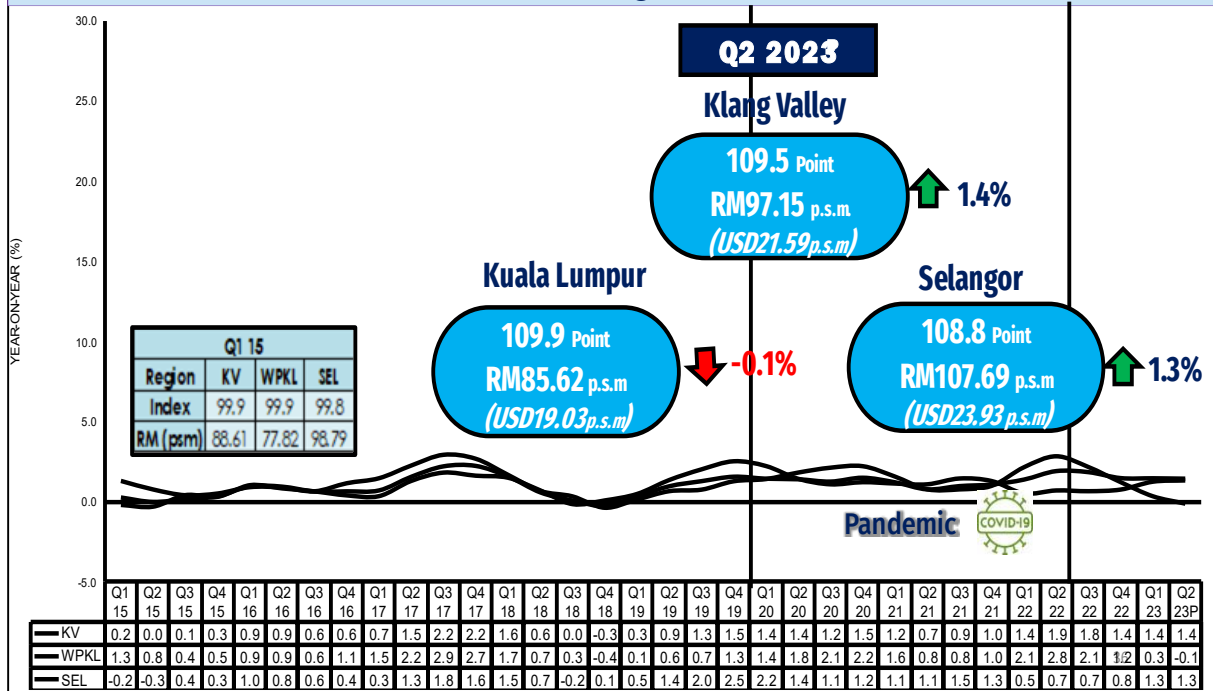
Sales Value of Wholesale & Retail Trade by Annual and Quarterly Growth (%) Q1 2022 to Q2 2023 ^P

Quarter	Sale Value (RM Million)	Sale Value USD Million)	Y-o-Y Change (%)	Q-o-Q Change (%)
Q1 2022	RM361,048	USD80,233	8.6	1.9
Q2 2022	RM390,282	USD86,729	25.3	8.1
Q3 2022	RM398,034	USD88,452	32.3	2.0
Q4 2022	RM405,154	USD90,634	34.3	1.8
Q1 2023	RM407,419	USD90,538	32.8	0.6
Q2 2023 ^P	RM412,449	USD91,655	32.7	1.2



Source: Department of Statistic (DOSM) : Performance of wholesale & Retail Trade Q2 2023

SC-RI Trend: Klang Valley, Kuala Lumpur & Selangor (Inc. Putrajaya) Q2 2023^P



KV SC-RI By Category Q2 2023



1

Super Regional

Retail Space (NLA)
> 1 million sq.ft.

State/Type of SC	Index Point	Average Rental (RM p.s.m)	Average Rental (USD p.s.m)
Kuala Lumpur	109.9	RM85.62	USD 19.03
Selangor	108.8	RM107.69	USD 23.93
Klang Valley	109.5	RM97.15	USD 21.59

Index Point	Average Rental (RM p.s.m)	Average Rental (USD p.s.m)
111.9	RM318.96	USD 70.88
113.7	RM152.67	USD 33.93
112.2	RM188.91	USD 41.98

• Catchment's area/ Target drive time market: >1 hour

2

Regional Center

Retail Space (NLA)
500K - 1 million sq.ft.

Index Point	Average Rental (RM p.s.m)	Average Rental (USD p.s.m)
111.9	RM162.10	USD 36.02
113.7	RM110.78	USD 24.62
112.2	RM135.98	USD 30.22

• Catchment's area/ Target drive time market: >30 min to 1.5 hour

3

Neighbourhood Centre

Retail Space (NLA)
200K - 500K sq.ft.

Index Point	Average Rental (RM p.s.m)	Average Rental (USD p.s.m)
111.9	RM55.34	USD 12.30
113.7	RM84.70	USD 18.82
112.2	RM63.46	USD 14.10

• Catchment's area/ Target drive time market: <30 min

4

Community Centre

Retail Space (NLA)
50K - 200K sq.ft.

Index Point	Average Rental (RM p.s.m)	Average Rental (USD p.s.m)
111.9	RM32.95	USD 7.32
113.7	RM64.01	USD 14.22
112.2	RM49.89	USD 11.09

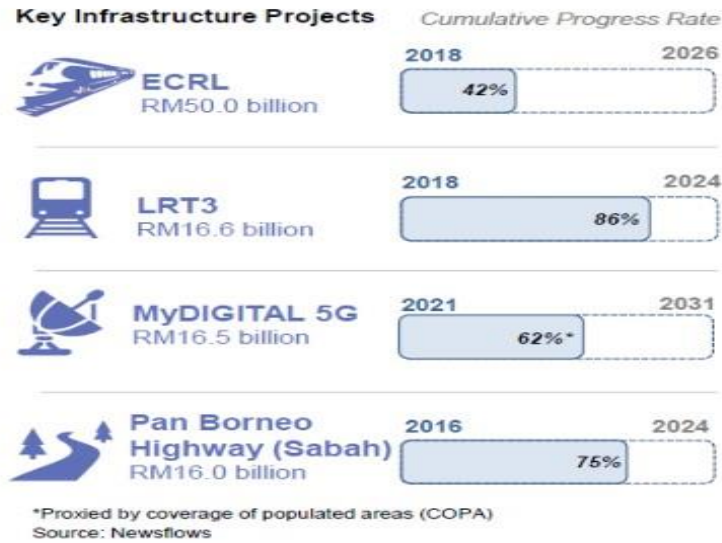
• Catchment's area/ Target drive time market: <15 min

Property Market Outlook 2023



Key Infrastructure Projects

Progress of multi-year infrastructure projects to provide further lift to growth




Key Infrastructure Projects

Progress of multi-year infrastructure projects to provide further lift to growth

RST Link a major draw for Singaporeans to invest in Johor's property market

By Kelly B. | March 28, 2023 @ 3:10pm




The Johor Bahru-Singapore Rapid Transit System Link was launched by Sultan of Johor Sultan Ibrahim Sultan Iskandar (Photo)

The Johor Bahru-Singapore Rapid Transit System (RTS Link), which is expected to be completed by the end of 2026, is becoming a major draw for Singaporeans looking to invest in the Johor property market.

The RTS Link will connect Bukit Chagar in Johor Bahru to Woodlands in Singapore, servicing roughly 10,000 passengers per hour in each direction to reduce traffic congestion on the Causeway.

RTS Link a game changer in the Johor Bharu real estate market

By Kelly B. | September 13, 2022 @ 1:08pm




The 4.24-kilometre Rapid Transit System link is expected to be completed by the end of 2026.

KUALA LUMPUR: Property developers are excited about the Johor real estate market, which is being fuelled by rapid infrastructure development, such as the JB-Singapore Rapid Transit System (RTS) Link.

"Property prices around JB's RTS link near Klang Valley prices"

By Kelly B. | August 12, 2023 @ 8:15am



RHB Research said the Rapid Transit System (RTS) link being developed in Johor Bahru has spurred rental and property prices in the surrounding area, with Knight Frank Malaysia claiming that a few high-rise project transactions have reached RM800-RM1,100 per square foot.

KUALA LUMPUR: RHB Research said the Rapid Transit System (RTS) link being developed in Johor Bahru has spurred rental and property prices in the surrounding area, with Knight Frank Malaysia stating that a few high-rise project transactions have reached RM800-RM1,100 per square foot.

Singapore-JB RTS Link on track to start operations by end-2026, construction at Singapore side hits halfway mark

Key Infrastructure Projects

THE NEXT GAME CHANGERS ?

KL-SINGAPORE HSR

Anwar: Putrajaya still in discussion on KL-Singapore high speed rail revival



Prime Minister Datuk Seri Anwar Ibrahim said Transport Minister Anthony Loke would ease with his Singaporean counterpart once initial decisions were finalised. - NSTP file pic

KUALA LUMPUR: Putrajaya is still in the midst of discussing the proposal for the high speed rail line between Malaysia and Singapore.

PENANG LRT

Penang LRT project set to start by year-end



Transport Minister Anthony Loke (2nd left) with Penang Chief Minister Chow Kon Yeow (left) during a visit to Six Eves, the proposed LRT station for Kombar. - NSTP/MWAL, ONG

GEORGE TOWN: Works on phase one of Penang's first light rail transit (LRT) project is expected to begin at the end of this year.

This follows several matters agreed upon between the federal government, represented by Transport Minister Anthony Loke and the state government, represented by Chief Minister Chow Kon Yeow, during a meeting here this afternoon.

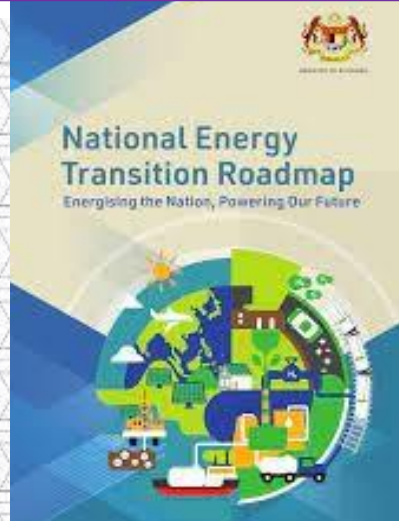
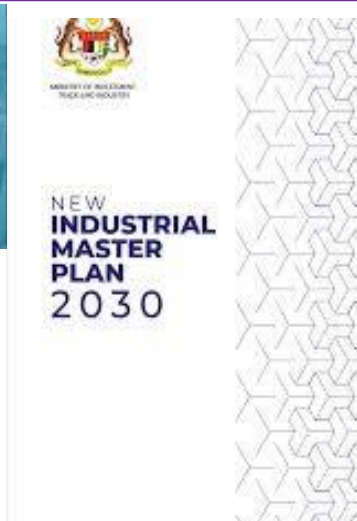
MRT 3

MRT3 project cost review ready by June



The government will likely complete the cost review of the Mass Rapid Transit Line 3 (MRT3) project by June and award construction contracts soon after, analysts say. - NSTP/ADAWATI ALIAS

Government Policy and Key Initiatives



CONCLUSION

- The property market recorded a stable performance in first half of 2023.
- Property market performance is expected to be on track, in line with economic growth driven mainly by domestic demand.
- The property sector would also benefit from the improving employment and higher tourist arrivals as well as continued implementation of multi-year investments projects.
- Political stability and the launch of major national policies i.e. Madani Economy, NETR, NIMP 2030, Mid-Term Review of the 12th Malaysia Plan and the upcoming Budget 2024 will help to support and spur the property market activities.

43



44