Resilience to Relevance

2026 Market Outlook

REPORT

MALAYSIA REAL ESTATE

CBRE | WTW
RESEARCH & CONSULTING

Contents

> A challenging market constantly faced with uncertainties is the new normal faced by all. Resilience, adaptability, and future ready built environments are key to sustainable asset and value, as the way forward. The presence and integration of such elements, addressing the present, the future and the unknown are crucial differentiating factors for success to overcome such a challenging and uncertain market. This is going to be the new standard beyond the standard of today, market challenges and uncertainties requires abnormal change.

Sr Danny Yeo
EXECUTIVE CHAIRMAN
CBRE | WTW

> The property sector is evolving from a passive responder to market cycles into an active shaper of the Malaysia's built environment. By embracing sustainability, innovation, and targeted urban regeneration, the sector is creating spaces that elevate community well-being, stimulate economic growth, and reinforce its increasing relevance to Malaysia's development agenda.

Sr Tan Ka Leong
GROUP MANAGING DIRECTOR
CBRE | WTW

Macro-Economics

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Malaysia's Gross Domestic Product, at Constant 2015 Prices (RM billion)	1,276.78	1,219.83	▲ 56.9
GDP Growth (%)	4.67	5.17	▼ 0.5 pp
Consumer Price Index (pts)	134.42	132.60	▲ 1.8 pts
Inflation (%)	1.37	1.84	▼ 0.5 pp
Labour Force (million person)[1]	17.49	17.00	▲ 2.9%
Labour Force Participation Rate (%)[1]	70.88	70.60	▲ 0.3 pp
Unemployed Number (million person)*	0.52	0.54	▼ 3.9%
Unemployment Rate (%)[1]	2.97	3.18	▼ 0.2 pp
Industrial Production Index (points)	134.83	130.80	▲ 3.1%
Exports (RM billion)	1,170.09	1,116.36	▲ 4.8%
Imports (RM billion)	1,064.44	1,023.36	▲ 4.0%
Trade Balance (RM billion)	105.65	93.00	▲ 13.6%
Overnight Policy Rate (%)	2.75	3.00	▼ 0.25 pp
Base Rate (%)	3.46	3.71	▼ 0.25 pp
Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp
Non-Residential Loan Amount Applied (RM billion)	135.88	129.20	▲ 5.2%
Non-Residential Loan Approval Rate (%)	49.62	51.95	▼ 2.3 pp
External Debt (RM trillion)	1.38	1.26	▲ 9.4%
	1H 2025	**1H 2024**	**y-o-y**
Tourism Performance			
International Visitor Arrivals (million people)	20.60	17.48	▲ 17.9%
Domestic Visitor Arrivals (million people)	73.80	68.40	▲ 7.9%

STEERING THROUGH ECONOMIC AND PROPERTY MARKET TRANSFORMATION

Throughout 2025, Malaysia's economy continued to progress while contending with rising living costs, tariff changes, and fiscal restructuring efforts. Despite these challenges, the nation maintained steady growth momentum, keeping the country on track to reach the upper end of its 4.0% to 4.8% GDP growth target. This was supported by sustained investments, improving labour market conditions, and manageable inflation, projected at 1.0% to 2.0% for 2025. These macroeconomic strengths, combined with strategic policy reforms and the deepening of international partnerships, enabled the property market to remain resilient throughout the year.

Recent fiscal reforms and government initiatives, including the 13th Malaysia Plan (RMK-13), Budget 2026, and Visit Malaysia 2026, signal a deliberate shift toward more sustainable and inclusive national development. Key priorities such as affordable housing, urban regeneration and green building practices are shaping a forward-looking property ecosystem. The incentives embedded within these frameworks help ease homeownership challenges while encouraging innovation across the property value chain, strengthening both demand and supply dynamics.

The introduction of U.S. tariffs on Malaysian exports in 2025 created challenges for export-oriented industries, prompting adjustments in manufacturing and trade operations. These developments affected demand for industrial and commercial properties, as companies sought efficient production and logistics solutions to mitigate cost pressures. Ongoing engagement between Malaysia and the U.S. aims to address broader market access issues and support structural reforms, which are expected to gradually stabilise manufacturing activity and sustain demand for industrial and commercial real estate.

ECONOMIC AND PROPERTY MARKET OUTLOOK

Looking ahead to 2026, Malaysia's economy is projected to grow 4.0% to 4.5%, with inflation staying manageable at 1.3% to 2.0%. This stable outlook, together with the newly signed Malaysia–U.S. Reciprocal Trade Agreement (ART), is expected to attract more foreign investment and technology flows, particularly into higher-value property segments such as advanced industrial parks, mixed-use developments and commercial offices. Growing foreign interest in Malaysia's manufacturing sector and demand for customised, technology-ready industrial facilities further reinforce this momentum.

Another transformative factor shaping the property landscape is the gradual introduction of environmental policies, including the proposed carbon tax. While this underscores Malaysia's commitment to sustainability, it creates compliance and operational challenges for industrial players. At the same time, it encourages green building adoption, giving developers a competitive edge as regulatory expectations and consumer preferences increasingly favour sustainable living and working environments.

Monetary policy easing in 2025, along with a strengthening labour market, is expected to support housing affordability and financing access. Prudent loan approval practices will continue to enhance market resilience by curbing excessive risk-taking and promoting sustainable credit growth.

In summary, Malaysia's economic outlook, supported by fiscal reforms, international partnerships, environmental initiatives and monetary policy easing, creates a dynamic yet stable environment for the property sector. Leveraging these developments, the sector is poised to move beyond resilience toward greater strategic relevance, contributing to national development goals and community well-being in 2026 and beyond.

Disclaimer: Figures may show slight differences due to rounding.
Note 1: The figures presented reflect only 3Q 2025 data, covering the period from July to September 2025.
Abbreviations: 1H – January to June; 9M – January to September; y-o-y – year-on-year changes; pp – percentage points, pts – points
Source: Various publications from Bank Negara Malaysia, Department of Statistics Malaysia, Malaysian Investment Development Authority, Ministry of Tourism, CBRE | WTW Research & Consulting

Major Policy Updates

Description	Authority/ Agency	Effective Date	Remarks
Visa-Free Entry	Ministry of Tourism, Arts, and Culture (MOTAC)	17 July 2025	• Malaysia and India have extended the visa-free period up to 31st December 2026. • Malaysia and China also have extended their mutual visa-free travel agreement for another five years, with an option for automatic renewal for an additional five years upon expiry. • Citizens of both countries may stay for up to 30 days per visit, subject to a cumulative limit of 90 days within any 180-day period. • Visa-free entry does not apply to activities such as employment, long-term residence, education, media work, or any undertaking that requires prior governmental approval.
Minimum Wage	Ministry of Human Resources (MOHR)	1 February 2025 and 1 August 2025	• The national minimum wage has been revised to RM1,700 per month from previous RM1,500 per month. • The increase is implemented in two phases: o 1 February – Applies to employers with five or more employees, and employers involved in professional services. o 1 August – Full implementation including employers with less than five employees.
Sales & Services Tax (SST)	Ministry of Finance (MOF)	1 July 2025	• Goods are now subject to a 5% to 10% sales tax for high-value food items, general consumer goods not classified as essential, as well as luxury items. Essential goods remain exempt from the expanded sales tax. • Service tax expansion to include services such as leasing and rental of goods and premises, logistics and delivery services, and selected financial, healthcare, and education-related services.
Electricity Tariff (Peninsular Malaysia)	Tenaga Nasional Bhd (TNB)	1 July 2025 – 31 December 2027	• Under the Regulatory Period 4 (RP4), the base tariff rate for electricity will increase 13.6% to 45.40 sen per kWh from the previous 39.95 sen per kWh. • The Energy Commission (EC) streamlined consumer tariffs by switching the classification method from activity-based groupings to categories based on voltage level (domestic/ non-domestic, and low/ medium/ high).
RON95 Petrol Subsidy	Ministry of Finance (MOF)	30 September 2025	• The RON95 petrol subsidy is now targeted under the BUDI95 programme. • Malaysian citizens with a valid MyKad and driving licence can buy RON95 at RM1.99 per litre. • Quota: 300 litres per month for private vehicles; 300–800 litres per month for full-time e-hailing drivers depending on mileage • Non-eligible: Non-citizens and foreign-registered vehicles pay around RM2.60 per litre.
EPF Contribution for Foreign Workers in Malaysia	Employees Provident Fund (EPF)	1 October 2025	• Both non-Malaysian citizen employees and their employers in Malaysia to contribute to the Employees Provident Fund (EPF). • Contribution rate is set at 2% of the monthly wages for both the employee and the employer.
Personal Tax	Ministry of Finance (MOF)	1 January 2025 – 31 December 2027	• Individual income tax relief on the housing loan interest payment for first-time home buyer for three consecutive years: o Up to RM7,000 tax relief on houses priced up to RM500,000; or o Up to RM5,000 tax relief on houses priced between RM500,001 to RM750,000.

Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Major Policy Updates

Description	Authority/ Agency	Effective Date	Remarks
Stamp Duty	Ministry of Finance (MOF)	1 January 2026	• Proposal of full stamp duty exemption on instrument of transfer and loan agreement for first-time homebuyers purchasing homes up to RM500,000 extended for 2 more years. • Proposed flat stamp duty rate of 4% to 8% to be imposed on property transfers by non-citizens and foreign companies, excluding Malaysian permanent residents.
Carbon Tax	Ministry of Finance (MOF)	2026	• The carbon tax will be introduced in 2026, starting with the iron, steel, and energy sectors in an effort to reduce carbon emissions.
Johor-Singapore Special Economic Zone (JS-SEZ)	Malaysian Investment Development Authority (MIDA)	1 January 2025 – 31 December 2034	• Corporate Income Tax with special tax rates for companies making new investments in selected qualifying high-value sectors for up to 15 years, depending on the amount of capital investment. • Investment Tax Allowance (ITA) of up to 100% on qualifying capital expenditure for high-impact industries. • Various sector-specific incentives and tax benefits for global services hub, smart logistics, manufacturing of specialty chemicals, AI, pharmaceutical, aerospace, and tourism.
Forest City Special Financial Zone (FCSFZ/ SFZ)	Malaysian Investment Development Authority (MIDA) Malaysian Digital Economy Corporation (MDEC) Securities Commission (SC)	20 September 2024 – 31 December 2034	• Single Family Offices: Coordinated by Securities Commission, 0% corporate tax rate on income from qualifying investments for 10+10 years, One-off exemption for Capital Gains Tax and Stamp Duty on the transfer of qualifying assets into Single Family Offices Vehicle. • Concessionary corporate tax rate: 0% to 5% for eligible businesses and investments. A special 5% tax rate for financial global business services, financial technology (fintech), and foreign payment system operators. • Special individual income tax rate: 15% flat tax rate for knowledge workers under approved companies. • Investment Tax Allowance (ITA) of up to 100% on qualifying capital expenditure for qualifying logistics services or activities.
Affordable Housing	Ministry of Housing and Local Government (KPKT)/ Thirteenth Malaysia Plan (RMK-13) 2026-2030	2026 to 2035	• One million affordable homes will be developed within 10 years to be implemented through various affordable home programmes. • Intermediate milestone (by 2030): 500,000 affordable homes expected, with 179,769 units already completed and 312,591 units approved or under construction.
IoT Enabled Industrial Park (IEIP)	Menteri Besar Selangor (Incorporated)	2025	• State initiative to upgrade 17 selected industrial parks in Selangor with smart technologies. • Aims to accelerate Industry 4.0 adoption through IoT, automation, digital infrastructure, and 5G connectivity. • Key elements under the initiative are closed-circuit cameras, as well as monitoring air quality, energy consumption and water consumption.

Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Major Infrastructures Updates

Description	Location	Expected Completion	Remarks
HIGHWAY AND EXPRESSWAY			
West Coast Expressway (WCE)	Banting – Taiping – Sabak Bernam – Changkat Jering	2027	• 8 of the 11 sections has been completed and open to public (Section 1, 2, 5, 6, 8, 9, 10, 11). • The remaining sections and remaining Rest and Service Areas (RSAs) along the highway are to be completed by 2027.
East Klang Valley Expressway (EKVE)	Sungai Long – Ukay Perdana	Section 1 completed in 2025	• Section 1 (Sungai Long – Ampang) completed in August 2025. • Section 2 (connecting to Ukay Perdana) is under construction.
Central Spine Road (CSR)	Kuala Pilah – Kuala Krai	2028	• Divided into six separate sections, parts of Sections 1, 2, and 5 have been opened to the public. • The remaining sections are expected to complete by 2028.
Sarawak Coastal Road and 2nd Trunk Road	Kuching to Sibu	2027 to 2028	• The Sarawak Coastal Road is set to be completed by 2027. The highway connects coastal towns from Kota Samarahan to Miri. • The 2nd Trunk Road is set to be completed by 2028. It is the inland route that links Batang Samarahan to the Roban Interchange, connecting to the Pan Borneo Highway.
Pan Borneo Highway Sabah (PBH)	Phase 1: Sindumin – Tawau Phase 2: Tamparuli – Ranau Phase 3: Tawau – Kimanis	2029 (Phase 1)	• Phase 1 is expected to fully complete by 2029. • Phase 1A: Overall progress stood at 85%. • Phase 1B: Overall progress stood at 9%.
Pan Borneo Highway Sarawak (PBH)	Phase 1: Miri – Telok Melano	2026	• 99.97% completed as of August 2025. • Target completion by 2026.
Sarawak – Sabah Link Road (SSLR)	Lawas – Lopeng, Pa'Berunut – Lopeng	2029	• Phase 1 is due for full completion by 4Q 2026. • Phase 2 is under construction and expected to complete by 2029.
New Pantai Expressway Extension (NPE 2)	Pantai Dalam to Jalan Istana	2029	• Construction to begin by the end of 2025. • 15-km elevated extension to the current existing New Pantai Expressway (NPE). • Set to connect to the planned Laluan Istana-Kiara Expressway (LIKE) and the Kampung Baru Link Expressway (KBL), which is both targeted to formalise by 2026.

Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Major Infrastructures Updates

Description	Location	Expected Completion	Remarks
RAIL			
Light Rail Transit 3 (LRT3)	Bandar Utama – Johan Setia	2026	• To be completed and begin operations by 2Q 2026.
Mass Rapid Transit 3 (MRT 3) Circle Line	Klang Valley	2032	• Orbital rail line around Klang Valley linking all major MRT, LRT, Monorail, and KTM lines. • Under land acquisition stage and expected to complete this stage by 2026. • Operations are expected to begin in phases by 2028, with full operations expected by 2032.
Rapid Transit System (RTS)	Bukit Chagar (Johor Bharu) – Woodlands (Singapore)	2026	• Under construction and on track for completion by 2026. • Operations expected to begin in December 2026.
East Coast Rail Link (ECRL)	Kota Bharu – Port Klang	2027	• Phase 1: Kota Bharu – Gombak to be completed and operational by 2027. • Phase 2: Gombak – Port Klang to be completed and operational by 2028.
Kuching Urban Transportation System (KUTS) Phase 1	Red Line: Kuching Sentral – Pending Blue Line: Rembus – Hikmah Exchange Green Line: Pending – Damai Central	2026 to 2028	• The project will be completed in stages and is expected to be fully operational by 2028.
Penang Light Rail Transit (LRT) Mutiara Line	Pulau Silikon – Penang Sentral	2031	• Construction expected to begin at the end of 2025 and is due for completion by 2031. • The government are currently proposing to extend the LRT line to the mainland Seberang Perai with tenders opened for the construction of a sea-crossing viaduct for the LRT.
Gemas–Johor Bahru Electrified Double-Track Rail (EDTP)	Gemas – Johor Bahru	2025	• Full completion is expected by the end of 2025.
Johor Bahru Elevated Autonomous Rapid Transit (E-ART) System	Skudai, Tebrau, Iskandar Puteri and Pasir Gudang	No info available	• Currently under the planning stages and the project concession is targeted to be awarded by the end of 2025. • There are no official reports on the expected commencement and completion for the project as of the date of writing.

Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Market Overview

Market Indicator

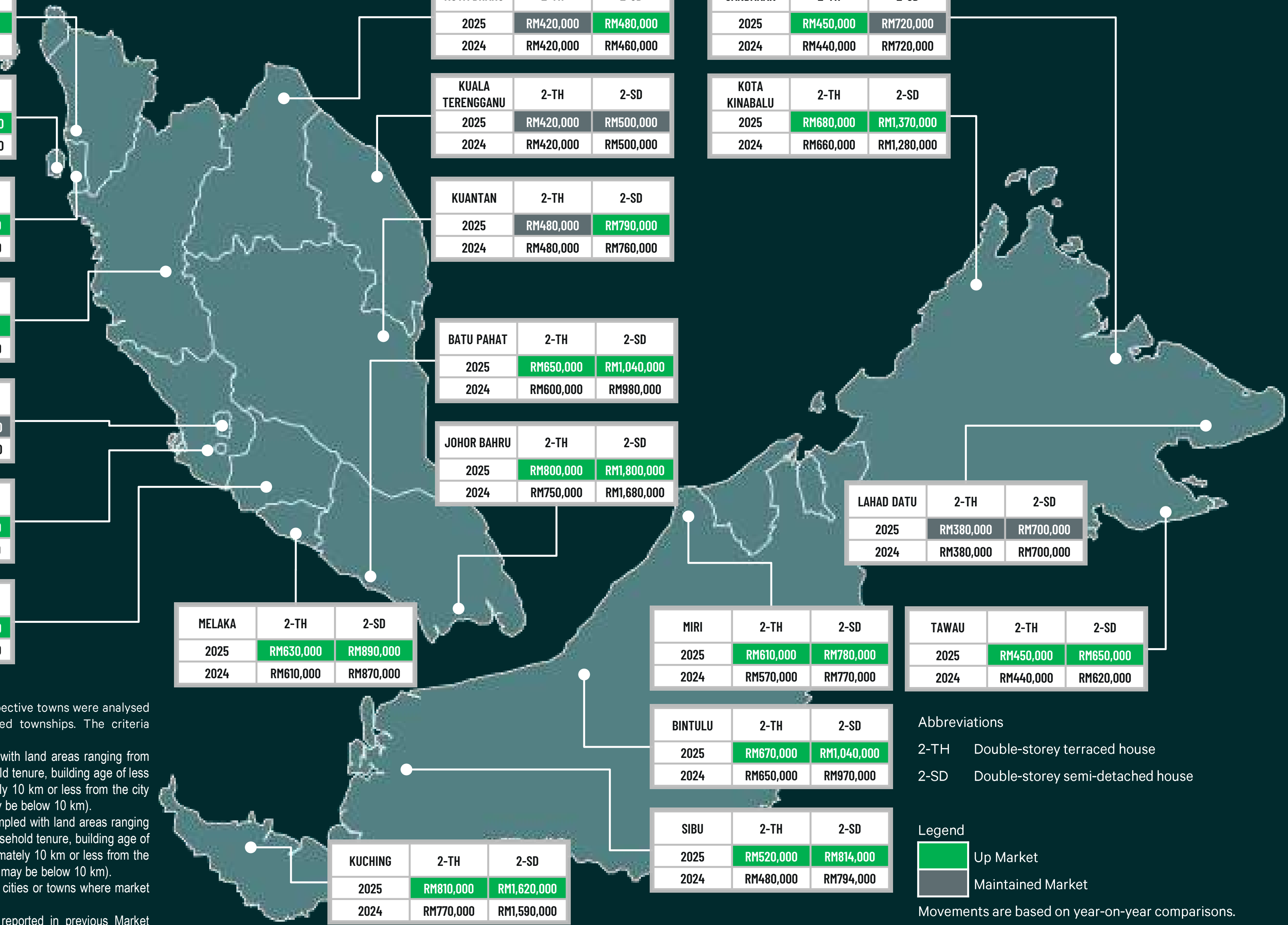
▲ UP MARKET ▼ DOWN MARKET ● MAINTAINED MARKET

Region	Office	Overall		Landed Residential		High-Rise Residential		Purpose-Built Office		Shop Offices		Purpose-Built Retail		Industrial		Hotel	
		2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Central	Klang Valley	●	●	●	●	●	●	●	●	●	●	▲	●	▲	▲	▲	▲
	Seremban	●	●	●	●	●	●	N/A	N/A	●	●	●	●	●	▲	●	●
Northern	Penang	▲	●	●	●	●	▲	▲	▲	▲	●	●	●	▲	▲	●	▲
	Alor Setar	▲	●	▲	▲	▼	●	N/A	N/A	▲	●	▼	▼	●	●	▲	▲
	Ipoh	●	●	▲	●	●	●	N/A	N/A	▲	●	●	▲	●	▲	●	▲
Southern	Iskandar Malaysia	▲	▲	▲	▲	▲	●	▲	▼	▲	▲	▲	●	▲	▲	▲	▼
	Batu Pahat	●	▲	▲	▲	●	●	N/A	N/A	●	▲	●	●	▲	▲	●	●
	Melaka	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
East Coast	Kuantan	●	●	●	●	●	●	●	●	●	●	●	●	▲	▲	●	●
	Kota Bharu	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Kuala Terengganu	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sabah	Kota Kinabalu	●	●	▲	▲	●	●	●	●	●	●	●	●	●	●	▲	▲
	Labuan	●	●	●	●	▲	▲	●	●	●	●	●	●	▼	▼	●	●
	Lahad Datu	●	●	●	●	N/A	N/A	N/A	N/A	●	●	●	●	●	●	N/A	N/A
	Sandakan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Tawau	●	●	●	●	●	●	N/A	N/A	●	●	●	●	●	▲	●	▲
Sarawak	Kuching	●	●	▲	●	▼	▼	●	●	▲	●	●	●	●	●	●	●
	Bintulu	●	●	●	●	●	▲	●	●	●	●	●	●	▲	▲	●	●
	Miri	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Sibu	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Abbreviation: N/A – not available
Market indicator arrows are based on a yearly projection.
Source: CBRE | WTW Research & Consulting, WTWS Research & Consulting, WTWY Research

2024/2025 Malaysia Housing Price Indicator

CBRE | WTW



ALOR SETAR	2-TH	2-SD
2025	RM560,000	RM700,000
2024	RM530,000	RM660,000

PENANG	2-TH	2-SD
2025	RM1,200,000	RM2,050,000
2024	RM1,160,000	RM2,000,000

SEBERANG PERAI	2-TH	2-SD
2025	RM700,000	RM1,050,000
2024	RM690,000	RM1,000,000

IPOH	2-TH	2-SD
2025	RM490,000	RM1,100,000
2024	RM470,000	RM1,040,000

KUALA LUMPUR/ PETALING JAYA	2-TH	2-SD
2025	RM1,490,000	RM3,460,000
2024	RM1,460,000	RM3,460,000

SUBANG JAYA/ SHAH ALAM	2-TH	2-SD
2025	RM880,000	RM1,830,000
2024	RM870,000	RM1,770,000

SEREMBAN	2-TH	2-SD
2025	RM640,000	RM1,400,000
2024	RM630,000	RM1,200,000

KOTA BHARU	2-TH	2-SD
2025	RM420,000	RM480,000
2024	RM420,000	RM460,000

KUALA TERENGGANU	2-TH	2-SD
2025	RM420,000	RM500,000
2024	RM420,000	RM500,000

KUANTAN	2-TH	2-SD
2025	RM480,000	RM790,000
2024	RM480,000	RM760,000

BATU PAHAT	2-TH	2-SD
2025	RM650,000	RM1,040,000
2024	RM600,000	RM980,000

JOHOR BAHRU	2-TH	2-SD
2025	RM800,000	RM1,800,000
2024	RM750,000	RM1,680,000

MELAKA	2-TH	2-SD
2025	RM630,000	RM890,000
2024	RM610,000	RM870,000

SANDAKAN	2-TH	2-SD
2025	RM450,000	RM720,000
2024	RM440,000	RM720,000

KOTA KINABALU	2-TH	2-SD
2025	RM680,000	RM1,370,000
2024	RM660,000	RM1,280,000

LAHAD DATU	2-TH	2-SD
2025	RM380,000	RM700,000
2024	RM380,000	RM700,000

TAWAU	2-TH	2-SD
2025	RM450,000	RM650,000
2024	RM440,000	RM620,000

MIRI	2-TH	2-SD
2025	RM610,000	RM780,000
2024	RM570,000	RM770,000

BINTULU	2-TH	2-SD
2025	RM670,000	RM1,040,000
2024	RM650,000	RM970,000

SIBU	2-TH	2-SD
2025	RM520,000	RM814,000
2024	RM480,000	RM794,000

KUCHING	2-TH	2-SD
2025	RM810,000	RM1,620,000
2024	RM770,000	RM1,590,000

CBRE | WTW Housing Price Indicators

The Housing Price Indicators for the respective towns were analysed based on transaction data from selected townships. The criteria applied are as follows:

- Double-storey terraced houses sampled with land areas ranging from 1,600 to 1,800 sq. ft., freehold or leasehold tenure, building age of less than five years, and located approximately 10 km or less from the city centre (in smaller towns, the distance may be below 10 km).
- Double-storey semi-detached houses sampled with land areas ranging from 3,500 to 4,500 sq. ft., freehold or leasehold tenure, building age of less than five years, and located approximately 10 km or less from the city centre (in smaller towns, the distance may be below 10 km).
- Plot sizes and built-up areas may vary in cities or towns where market norms differ.
- Prices for 2024 may differ from those reported in previous Market Report due to changes in the housing schemes selected for calculating the average prices.

Abbreviations

2-TH Double-storey terraced house

2-SD Double-storey semi-detached house

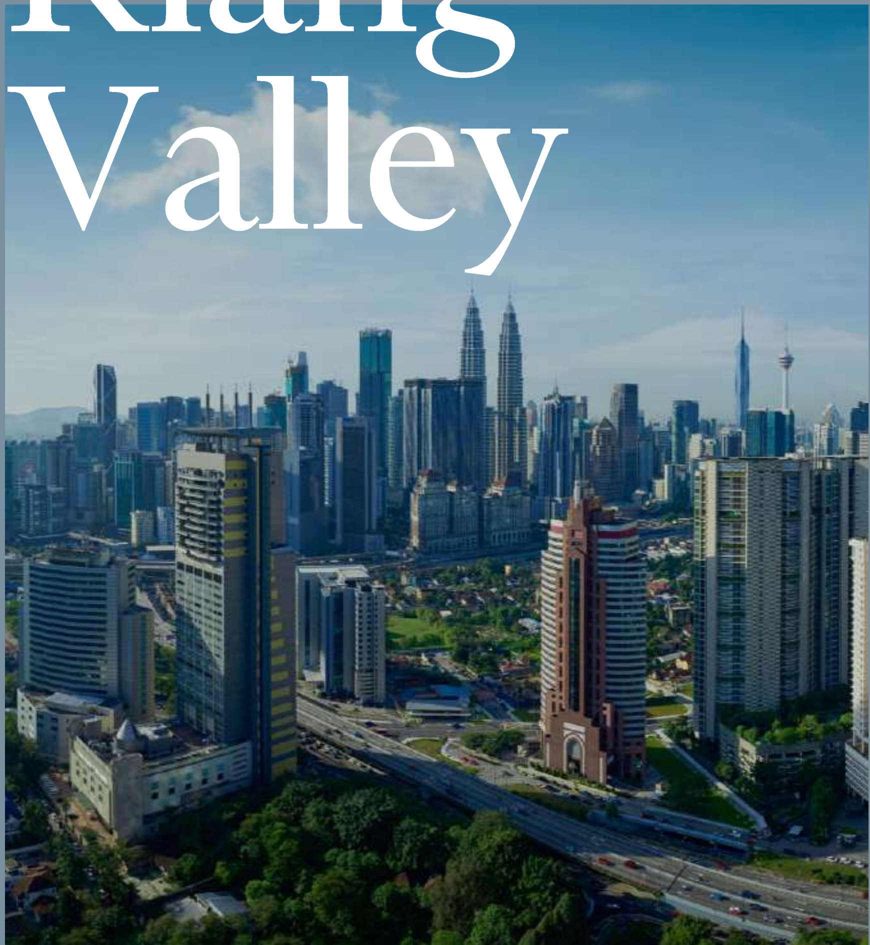
Legend

Up Market

Maintained Market

Movements are based on year-on-year comparisons.

Klang Valley



In 2026, we expect the Klang Valley property market to consolidate around high-quality assets, with buyers, tenants, and landlords prioritising build standards, strategic location, and long-term value. Demand remains concentrated on well-positioned, future-ready developments across the residential, office, retail, hotel, and industrial sectors, reflecting evolving preferences and market dynamics.

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Managing Director – Valuation, Research & Consulting
CBRE | WTW

Klang Valley: Residential

KEY INDICATOR

	2025	2024	y-o-y
State Population ('000)			
Kuala Lumpur	2,074.1	2.067.5	▲ 0.3%
Selangor	7,406.8	7,362.7	▲ 0.6%
Putrajaya	120.8	120.3	▲ 0.4%
	9M 2025	**9M 2024**	**y-o-y**
Cumulative Supply (million unit)			
Overall	2.71	2.61	▲ 3.8%
High-Rise	1.56	1.48	▲ 5.2%
Landed	1.15	1.13	▲ 1.9%
High-Rise Transaction			
Volume (unit)	25,724	26,795	▼ 4.0%
Value (RM billion)	14.31	13.67	▲ 4.7%
Landed Transaction			
Volume (unit)	27,407	29,379	▼ 6.7%
Value (RM billion)	21.39	22.07	▼ 3.1%
Overhang (unit)			
Overall	13,433	14,059	▼ 4.5%
High-Rise	11,910	12,871	▼ 7.5%
Landed	1,523	1,188	▲ 28.2%
Malaysia Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Malaysia Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Bank Negara Malaysia, Department of Statistics Malaysia, National Property Information Centre, CBRE | WTW Research & Consulting

RESIDENTIAL PERFORMANCE

In 9M 2025, the Klang Valley secondary residential property market posted a mixed performance across high-rise and landed segments, reflecting varying market conditions and shifting buyer sentiment. Overall, buyer preferences remained balanced between landed and high-rise properties.

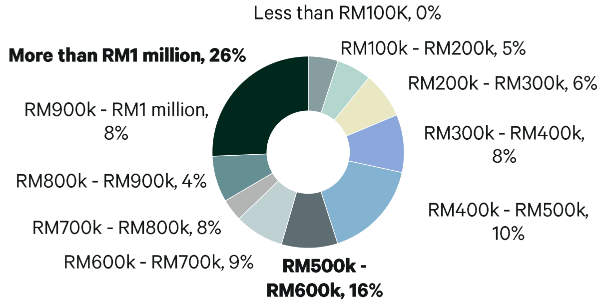
The high-rise segment increased its share of total residential transactions to 48.4%, up from 47.7% in 9M 2024. This growth was supported by generally more affordable pricing and a broader urban supply. This stronger interest is also reflected in higher total transaction value, indicating sustained demand despite overall market softness.

In contrast, the landed segment experienced a decline in both transaction volume and value compared to 9M 2024. Nevertheless, buyer interest remains steady, as it continues to account for a slightly larger share of total transactions, even though its available supply is lower compared to the high-rise segment. Higher price points and limited supply in prime areas may be constraining activity.

Overhang level slightly improved in 9M 2025, primarily driven by high-rise absorption. Unsold high-rise units remained concentrated in Kuala Lumpur (67.7%), while Selangor accounted for 93.8% of the landed overhang. This is partly due to the limited land availability in Kuala Lumpur for landed development, resulting in most unsold landed units being in Selangor, while high-rise supply remains concentrated in Kuala Lumpur.

In terms of price distribution, residential overhang is mainly concentrated in units priced above RM1,000,000, which also saw the largest year-on-year increase. This indicates heightened selectivity among buyers in the upmarket segment. Conversely, units priced below RM1 million recorded improved absorption, particularly within the high-rise segment, demonstrating relatively stronger demand in the more affordable market.

Overhang By Price Group, 9M 2025



Source: National Property Information Centre, CBRE | WTW Research & Consulting

DEMAND DYNAMICS

Residential demand in Klang Valley continues to be shaped by diverse buyer profiles and evolving preferences. Steady interest in affordable to mid-range properties reflects the growing needs of first-time homebuyers, young families, and urban professionals seeking convenience and lifestyle amenities.

In the upmarket segment, demand is increasingly driven by investors and affluent buyers attracted to prime locations with premium facilities, enhanced security, and strong rental potential. The recent relaxation of the Malaysia My Second Home (MM2H) programme requirements, coupled with the reduction in the Overnight Policy Rate (OPR), is expected to further stimulate interest in luxury high-rise units offering both lifestyle appeal and investment opportunities.

Despite localised pockets of healthy demand, the broader residential market is exhibiting a cautious performance. Buyers are becoming more selective and price-conscious, favouring properties that closely align with their budget and lifestyle needs. This underscores the importance of carefully considering location, pricing, and product quality in planning future residential developments to effectively meet market demand and prevent further escalation of overhang.

Klang Valley: Residential

EMERGING GROWTH AREAS

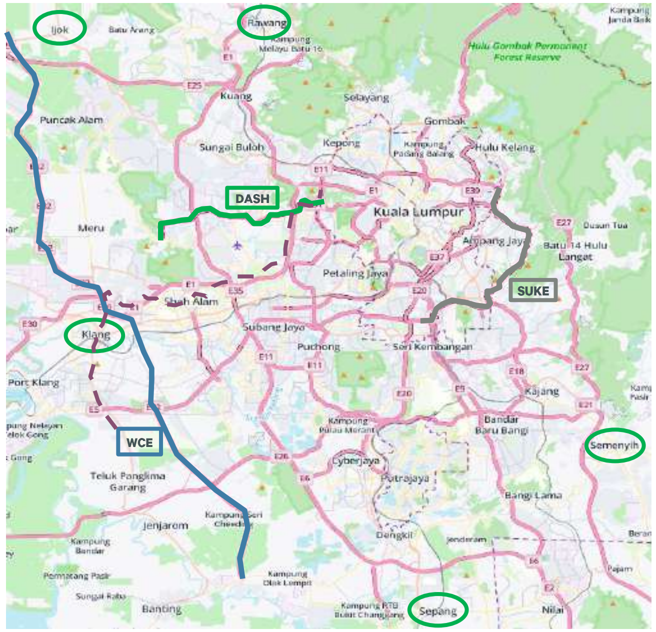
Several emerging growth areas are gaining traction, driven by infrastructure improvements, urban expansion, and evolving buyer preferences. Locations such as Rawang, Ijok, Semenyih, Klang and Sepang are seeing increased residential interest, particularly from first-time buyers and upgraders seeking more affordable alternatives to central locations.

These peripheral areas generally offer more landed properties at relatively affordable price points, appealing to families seeking a balance between value and lifestyle. Improved connectivity, through the expansion of major highways such as the DASH, WCE and SUKE, along with upcoming rail developments including MRT3 and LRT3, is enhancing accessibility and making these locations increasingly viable for daily commuters.

In addition, townships with integrated planning and a focus on community-centric amenities are becoming key demand drivers. Developments that offer a comprehensive mix of residential, retail, educational and recreational facilities are increasingly favoured, especially among younger buyers prioritising liveability and long-term value.

Industrial decentralisation and the rise of new logistics and e-commerce hubs in areas like Puncak Alam and Sepang are also boosting residential demand. Growing employment opportunities in these areas are driving the need for affordable homes with strong connectivity and proximity to workplaces.

These emerging corridors are set to play a crucial role in supporting Klang Valley's residential growth as infrastructure and employment opportunities continue to develop.



Legend:
- DASH – Damansara–Shah Alam Elevated Expressway (E31)
- WCE – West Coast Expressway (E32)
- SUKE – Damansara–Shah Alam Elevated Expressway (E19)

Source: CBRE | WTW Research & Consulting

PREPARING FOR 2026: MARKET DYNAMICS AND STRATEGIC RESPONSES

Looking ahead to 2026, the Klang Valley residential market is expected to enter a period of realignment rather than rapid expansion. Buyer sentiment will likely remain highly selective, shaped by cautious optimism, persistent affordability concerns, and evolving lifestyle preferences.

Affordability will continue to anchor mainstream demand, particularly in peripheral growth areas where improved infrastructure and township-based developments offer greater value. However, competition in this segment is set to intensify, prompting developers to fine-tune product offerings with stronger emphasis on functional layouts, strategic pricing, and proximity to key amenities and employment nodes.

In the luxury segment, investor and foreign interest is still expected to improve, albeit selectively, supported by sustained rental demand in prime urban locations. However, the recent increase in stamp duty for foreign buyers to 8% may temper the pace of this improvement. Performance will continue to depend on clear product differentiation, attractive rental yields, and long-term capital appreciation prospects.

Infrastructure-led expansion, particularly from projects such as MRT3 and LRT3, is expected to boost demand in under-penetrated areas. Strategic alignment between connectivity, job creation, and residential planning will be essential to activating latent demand in 2026.

Developers that adopt a more disciplined approach to new launches, focusing on right-sizing, integrated community design, and ESG-aligned features, will be better positioned to succeed in an increasingly competitive market. Innovation in digital marketing, smart home technology, and sustainable design will become key competitive differentiators as buyer expectations continue to evolve.

Ultimately, the 2026 market will reward those who prioritise quality, adaptability, and market fit. A shift toward more demand-led planning, supported by infrastructure investments and targeted policy measures, positions the Klang Valley residential sector for more balanced and resilient growth in the year ahead.

Klang Valley: Purpose-Built Office

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply (million sq. ft.)			
All Grades PBO			
Klang Valley	127.85	125.45	▲ 1.9%
Kuala Lumpur	92.06	90.62	▲ 1.6%
Outside Kuala Lumpur [1]	35.79	34.83	▲ 2.8%
Prime PBO [2]			
Klang Valley	64.15	61.99	▲ 3.5%
Kuala Lumpur	47.76	46.55	▲ 2.6%
Outside Kuala Lumpur	16.39	15.43	▲ 6.2%
Occupancy Rate			
Klang Valley	79.5%	79.0%	▲ 0.5 pp
Kuala Lumpur	79.6%	78.6%	▲ 1.0 pp
Outside Kuala Lumpur	79.1%	80.1%	▼ 1.0 pp
Net Absorption/ Take-Up (million sq. ft.)			
Klang Valley	1.77	2.44	▼ 27.5%
Kuala Lumpur	1.55	1.92	▼ 19.1%
Outside Kuala Lumpur	0.21	0.52	▼ 58.9%

Disclaimer: Figures may show slight differences due to rounding.
Notes:
1. Outside Kauala Lumpur (OKL) covers Selangor, Petaling Jaya, Cyberjaya and Putrajaya localities.
2. Prime PBO refer to Grade A and Grade Premium A office buildings.

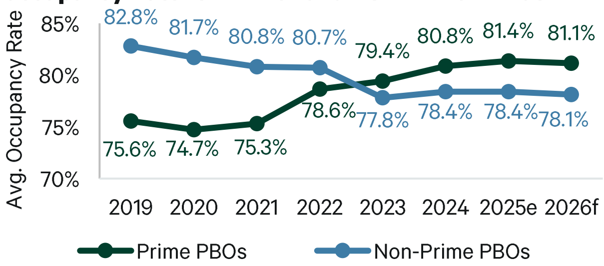
Abbreviations: PBO – purpose-built office; 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

THE SHIFT TOWARD PRIME-GRADE SPACE BECAME THE DEFAULT

The quality-driven trend continued to define the Klang Valley office market in 2025, with occupiers, particularly within the banking and financial sector, consolidating into newer Grade A and green-certified buildings. Major movements included Alliance Bank's relocation from a non-prime office to its own headquarters at Menara Alliance Bank, Ant International establishing its regional base at The Exchange 106, and Bursa Malaysia reportedly in final negotiations to occupy space in the same tower within the financial district. Maybank has also confirmed its phased move into Merdeka 118 beginning in 2026. These moves exemplify how tenants are prioritising quality, efficiency, and brand presence in their real estate decisions.

Consequently, occupancy levels in prime assets continued to edge upward, while older non-prime offices recorded a steady decline in take-up, facing longer vacancy periods and increased reliance on rental incentives. This has further widened the performance gap between both segments and is expected to deepen as more corporates align their real estate decisions with ESG and workplace experience goals.

Occupancy Rate for Prime [1] and Non-Prime [2] PBOs



Notes:
1. Prime PBOs refer to Grade Premium A and Grade A office buildings that typically feature modern, high-quality finishes, spacious layouts, large floor plates, and superior building specifications. These buildings may also possess certifications such as Malaysia Digital (MD) status and green building accreditations.
2. Non-prime PBOs comprise Grade B and Grade C office buildings, which generally offer standard specifications and older building designs.

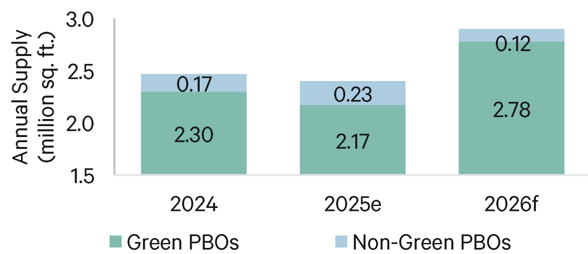
Abbreviations: Avg. – average; e – estimate; f – forecast
Source: CBRE | WTW Research & Consulting

ESG MOVED FROM 'BONUS' TO 'BASELINE'

Between 2024 and 2025, the office market was characterised by a wave of new completions dominated by green-certified developments, accounting for more than 90% of the annual supply. This underscores a clear shift in the market where sustainability is no longer viewed as a bonus feature but a new fundamental standard for relevance in the modern market. Developers and tenants now place ESG at the centre of their long-term strategies, recognising that sustainable buildings enhance operational efficiency, corporate image, and overall marketability. In 2026, about 96% of new completions are expected to be green PBOs, reaffirming this structural change.

This transformation extends beyond new developments, as many existing buildings are undergoing upgrades to secure green certifications and remain competitive in an evolving market. Notable examples include Menara Generali (LEED Gold, GreenRE Silver), Vista Tower (GreenRE Silver), and Kossan Tower and KLEC Tower 2 (GBI Silver). These efforts demonstrate how landlords are improving building performance and asset value to meet rising tenant expectations and sustainability standards. The widespread adoption of green certification underscores a permanent recalibration of market expectations, where ESG alignment is now synonymous with long-term asset resilience and relevance.

Annual Supply by Certification Status



Note: Green PBOs refer to office buildings that have been certified or developed to achieve green building certifications such as LEED, GreenRE, or Green Building Index (GBI).
Abbreviations: e – estimate; f – forecast; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Klang Valley: Purpose-Built Office

OFFICE USE TICKED UP AS ATTENDANCE RULES TIGHTENED

The ongoing return-to-office trend continues to shape occupier strategies, as corporations place greater emphasis on creating engaging, productive, and collaborative workplace environments. This shift has reinforced demand for well-located, high-quality office spaces with modern specifications, efficient layouts, and amenities that promote employee well-being and interaction.

Stronger enforcement of in-office attendance policies among major corporations has lifted weekday utilisation rates, with many firms reducing remote-work allowances to restore workplace culture and operational synergy. Meanwhile, the growing adoption of flexible workspace solutions by occupiers seeking agility and landlords diversifying income streams has further supported absorption and stabilised overall demand. This renewed focus on physical workplace engagement has also influenced space design preferences, with occupiers prioritising flexible layouts, collaborative zones, and wellness-oriented features to support productivity and retention.

GRADUAL RENTAL GROWTH DRIVEN BY QUALITY AND COST FACTORS

Office rentals recorded a slight upward adjustment in 2025, primarily among well-located and high-performing buildings with stable occupancy levels. Landlords of these assets leveraged strong tenant retention and sustained demand to achieve modest rent growth, particularly within prime and transit-accessible locations. The trend is expected to continue into 2026, with selective increases anticipated for premium assets that demonstrate consistent performance and strong ESG credentials.

The overall rental adjustment has also been influenced by rising operating costs, including higher maintenance expenses, utilities, and compliance with sustainability and safety standards. As service charges climb, occupiers have become more discerning, placing greater emphasis on total occupancy costs and long-term efficiency.

Despite the competitive and tenant-favourable environment, many occupiers remain willing to pay a premium for quality office spaces that deliver superior building performance, accessibility, and workplace experience. This reinforces the prevailing flight-to-quality trend, where value is increasingly defined by sustainability, operational reliability, and occupier well-being rather than headline rent alone.

As cost efficiency and ESG compliance continue to shape leasing decisions, rental growth is expected to concentrate in assets that can demonstrate both operational savings and experiential value, while older buildings will need to invest in upgrades to retain competitiveness.

Average Gross Monthly Rental by Grading, 3Q 2025

Location & Grading	Average Gross Monthly Rental
Klang Valley (Grade A)	RM6.65 per sq. ft.
KL (Grade Premium A)	RM11.00 per sq. ft.
KL (Grade A)	RM7.50 per sq. ft.
Outside KL (Grade A)	RM5.40 per sq. ft.

Note: The gross monthly rent may vary depending on factors such as location, building specifications and grades, size, age, level, and overall condition.
Abbreviation: sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

REPOSITIONING ASSETS FOR FUTURE RELEVANCE

Vacant space within older office buildings remains a growing concern across the Klang Valley, particularly as tenants continue to favour modern, efficient, and sustainable workplaces. Many ageing towers, especially those built before 2015, which account for about 77% of the region's total net lettable area, might no longer meet current standards in terms of performance, design efficiency, or environmental compliance. As corporations intensify their ESG commitments, these older assets face mounting pressure from newer, higher-specification developments. Without meaningful upgrades, such properties risk obsolescence or persistently high vacancy levels.

Recognising this structural challenge, the government has introduced measures to encourage the adaptive reuse and repurposing of underutilised office buildings. Recent federal budgets have included incentives to support the conversion of excess office space into alternative uses such as childcare, education, and residential facilities, part of a broader effort to revitalise ageing assets and encourage sustainable urban regeneration.

Despite growing interest, refurbishment and conversion projects remain challenging due to high capital requirements, complex approval processes, and uncertainties surrounding demand viability and return on investment.

In recent years, several notable refurbishments and conversions have taken place to align with shifting market dynamics. Wisma KFC, Menara MIDF, Wisma Lee Rubber, and the historic Oriental Bank building on Jalan Hang Lekiu have all been refurbished and repositioned for hospitality use. These examples highlight the growing momentum for adaptive reuse as landlords seek to future-proof their properties, optimise land use, and capture emerging demand across sectors. Going forward, collaboration between the public and private sectors will be crucial in streamlining approvals, expanding fiscal incentives, and supporting long-term initiatives that sustain the relevance of Klang Valley's maturing office stock.

STRENGTHENING MARKET RELEVANCE IN THE NEXT CYCLE

The Klang Valley office market has entered a period of structural evolution. The resilience demonstrated in 2025, anchored by quality-driven demand, ESG integration, and renewed workplace activity, sets the foundation for the next phase of relevance in 2026. As the market transitions, competitiveness will increasingly depend on adaptability: upgrading existing assets, embracing sustainability, and redefining workplaces as experience-driven environments. Together, these dynamics are not only reshaping the city's skyline but also redefining how value, longevity, and purpose are measured in Malaysia's commercial real estate landscape.

Klang Valley: Purpose-Built Retail

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Malaysia's Annual Retail Sales Growth	2.7%	3.8%	▼ 1.1 pp
Consumer Price Index			
Selangor	141.0	138.6	▲ 2.4 pts
Kuala Lumpur	134.4	132.8	▲ 1.6 pts
Putrajaya	141.1	140.2	▲ 0.9 pts
Inflation			
Selangor	1.7%	2.2%	▼ 0.5 pp
Kuala Lumpur	1.2%	1.3%	▼ 0.1 pp
Putrajaya	0.7%	1.6%	▼ 0.9 pp
Cumulative Supply (million sq. ft.)			
Klang Valley	68.30	67.51	▲ 1.2%
Kuala Lumpur	36.80	36.32	▲ 1.3%
Outside Kuala Lumpur [1]	31.50	31.20	▲ 1.0%
Occupancy Rate			
Klang Valley	82.5%	82.3%	▲ 0.2 pp
Kuala Lumpur	82.7%	82.1%	▲ 0.6 pp
Outside Kuala Lumpur	82.3%	82.4%	▼ 0.1 pp
Net Absorption/ Take-Up (million sq. ft.)			
Klang Valley	0.30	1.16	▼ 74.4%
Kuala Lumpur	0.37	0.52	▼ 29.9%
Outside Kuala Lumpur	-0.07	0.63	▼ 111.0%

Disclaimer: Figures may show slight differences due to rounding.
Note 1: Outside Kuala Lumpur (OKL) covers Selangor, Petaling Jaya, Cyberjaya and Putrajaya localities.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; pts – points; sq. ft. – square feet
Source: Retail Group Malaysia, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

RETAIL PERFORMANCE AMIDST MARKET SHIFTS

The overall retail sector in the Klang Valley extended its recovery into 9M 2025, continuing the momentum observed since the post-pandemic era, albeit at a slower rate. This recovery has been primarily underpinned by the strong performance of prime retail malls, where demand for space has remained resilient amid evolving market dynamics.

These top-tier assets continue to outperform, maintaining near-full occupancy levels and attracting both international and experiential retail brands. Average rental rates and footfall have shown steady improvement, supported by thoughtfully curated tenant mixes, strategic placemaking, and sustained investment in lifestyle-oriented upgrades.

In contrast, older and underperforming malls are increasingly struggling to stay relevant, highlighting the widening performance gap within the sector. While the overall occupancy rate of purpose-built retail space has shown an improving performance across the Klang Valley, net absorption has declined sharply compared to the same period last year. This points to subdued market conditions amid ongoing concerns over consumer spending. Although inflation has moderated across the states in Klang Valley, the persistent high cost of living continues to weigh on purchasing power.

Despite some recovery in occupancy, the Klang Valley retail market continues to grapple with a significant volume of vacant space. This is particularly evident in older retail assets and underperforming malls that have struggled to adapt to evolving consumer preferences and tenant expectations. As a result, landlords are under increasing pressure to offer competitive rental packages, flexible lease terms, and enhanced experiential offerings to remain viable in a highly competitive environment.

Retail leasing activity has also moderated compared to last year. The Food and Beverage (F&B) and Fashion and Accessories segments continue to dominate leasing activity, serving as the primary drivers of footfall in retail centres. Meanwhile, the Leisure, Entertainment, Music and Video category is gaining momentum, aligning with the growing '*retailtainment*' trend aimed at enhancing visitor engagement and revitalising the shopping experience.

EVOLVING MALL STRATEGIES

In response to persistently high vacancy rates, 2025 has seen a rise in asset repositioning, especially among ageing malls. Landlords are increasingly adopting mixed-use concepts, adding recreational amenities alongside co-working spaces and education facilities to boost viability. These adaptive strategies mark a shift in how retail spaces are being reimagined to meet evolving urban needs.

Several underperforming malls have already begun this shift. At 3 Damansara, the new Idea Live Arena spans 61,000 sq. ft. and seats up to 5,000, offering a high-tech venue for corporate and entertainment events. Alamanda Putrajaya has expanded their entertainment offerings with Escape Putrajaya, TGV, and U-Bowl X to broaden its appeal.

Alongside these transformations, new developments are raising the bar for urban retail and lifestyle integration. Tuah 1895, located in Bukit Bintang City Centre, combines popular dining options with MORPH by Kamileon, Malaysia's largest HYROX training ground. Next door, The Labs offers innovative entertainment experiences, including Immersify KL, the country's first multi-dimensional media art gallery, and Zepp Kuala Lumpur, a 2,500-seat concert hall.

These initiatives highlight how malls are no longer just shopping venues but are actively evolving into multifunctional spaces that align with the changing patterns of urban living and consumer expectations.

Klang Valley: Purpose-Built Retail

STRATEGIC EFFECTIVENESS

Repositioning and experiential strategies adopted by Klang Valley malls in recent years are beginning to reshape the retail landscape. For well-located prime malls, efforts to enhance placemaking, diversify tenant mixes, and introduce lifestyle-driven experiences have proven effective in maintaining high occupancy rates and rental stability. These assets continue to attract strong demand from both local and international brands.

However, among underperforming and ageing malls, the effectiveness of the repositioning strategy remains mixed. While many have pivoted towards mixed-use concepts by integrating co-working spaces, recreational facilities, and educational components, the success of such initiatives is highly dependent on catchment demographics, accessibility, and capital investment. In many cases, landlords face long lead times, elevated conversion costs, and uncertain returns, which may ultimately undermine financial viability.

Experiential upgrades, particularly those centered on retail-focused entertainment, are helping to boost footfall in general. However, this strategy alone is not always sufficient to ensure commercial sustainability. Without strong operational management and relevant anchor offerings, these attractions may struggle to drive repeat visits or long-term tenant retention.

In summary, the strategic responses currently underway show clear potential. Nevertheless, their long-term effectiveness will rely on precise execution, alignment with consumer preferences, and continued flexibility in adapting to evolving market dynamics.

INCOMING SUPPLY

The Klang Valley retail market is set to experience a notable increase in retail space supply over 2025 and 2026, with nearly 4.18 million sq. ft. of new net lettable area expected from several major developments.

This significant supply pipeline, concentrated across established prime locations and select emerging precincts, will raise the benchmark for retail experiences and intensify competition within the Klang Valley retail market. While these new developments offer opportunities for innovation and lifestyle integration, landlords and developers must carefully manage absorption rates and tenant strategies to mitigate risks of oversupply, especially in older and underperforming retail assets.

Pipeline Development, 4Q 2025 – 2026

Development Name	Location	Estimated NLA (sq. ft.)
4Q 2025		
Sunway Square Mall *	Bandar Sunway	300,000
KLGCC Mall *	Bukit Kiara	230,000
Hextar World @ Empire City *	Damansara Perdana	1,800,000
2026		
Ombak KLCC	KL City Centre	420,000
118 Mall @ Merdeka 118	Jalan Hang Jebat	900,000
Pavillion Damansara Heights (Phase 2)	Pusat Bandar Damansara	529,000

* Completion is anticipated in the fourth quarter of 2025 (4Q 2025), subsequent to the preparation of this report.
Abbreviations: NLA – net lettable area; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

RETAIL OUTLOOK IN 2026

As Klang Valley's retail sector moves into 2026, a two-tier market structure is expected to persist. Prime, experience-led retail centres are likely to remain resilient, supported by stable consumer demand, a continued improvement in tourism, and evolving retail formats that integrate lifestyle and leisure offerings.

Leasing activity is anticipated to remain concentrated within key segments such as food and beverage, fashion, and entertainment, with emerging demand from wellness, fitness, and hybrid lifestyle operators. Retail centres that are able to deliver a cohesive, high-quality experience will be best positioned to attract both tenants and visitors in this increasingly experience-driven environment.

Conversely, older retail assets that are unable to adapt may face rising vacancy levels and further pressure on rental rates. Landlords in this segment may need to consider more substantial reinvention or full-scale redevelopment, particularly in areas facing oversupply.

Consumer sentiment in 2026 is projected to improve modestly, particularly towards the latter part of the year, supported by easing inflationary pressures and a gradual recovery in household spending. However, cautious spending behaviour may persist due to elevated living costs, reinforcing the importance of value-oriented retail formats and differentiated customer experiences.

Overall, 2026 is expected to be a pivotal year for the Klang Valley retail sector. Assets that prioritise innovation, operational excellence, and consumer-focused strategies will be better positioned to navigate a dynamic and increasingly competitive market landscape.

Klang Valley: Industrial

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply Factories (unit)			
Overall	48,727	48,233	▲ 1.0%
Detached	6,378	6,167	▲ 3.4%
Semi-Detached	7,940	7,760	▲ 2.3%
Terraced	31,809	31,707	▲ 0.3%
Cluster	92	92	↔
Others [1]	2,508	2,507	▲ 0.04%
Transaction Performance			
Volume (unit)	2,493	2,206	▲ 13.0%
Value (RM billion)	11.39	10.84	▲ 5.0%
Overhang Supply Factories (unit)			
Overall	28	45	▼ 37.8%
Detached	-	-	-
Semi-Detached	19	31	▼ 38.7%
Terraced	9	14	▼ 35.7%
Cluster	-	-	-
Others [1]	-	-	-
Total Approved Investment (RM million)			
Klang Valley	98,416	129,850	▼ 24.2%
Selangor	51,896	69,304	▼ 25.1%
Kuala Lumpur	45,886	59,383	▼ 22.7%
Putrajaya	634	1,163	▼ 45.5%
Approved Manufacturing Investment (RM million)			
Klang Valley	10,741	15,377	▼ 30.1%
Selangor	10,674	15,083	▼ 29.2%
Kuala Lumpur	67	293	▼ 77.2%
Putrajaya	-	-	-

Disclaimer: Figures may show slight differences due to rounding.
Note:
1. Other factories including flatted factories, industrial complexes.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Malaysian Investment Development Authority, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

INDUSTRIAL PERFORMANCE

The industrial property market remained fundamentally stable in 9M 2025, underpinned by strong tenant demand and improving infrastructure connectivity. Key sectors such as logistics, e-commerce, and light manufacturing continued to drive activity, reaffirming the industrial segment's strategic role in regional economic growth.

Although total approved investments in the industrial sector moderated compared to last year, transaction activity remained healthy. Both transaction volume and value continued to rise approximately 13% and 5%, respectively demonstrating the resilience of the industrial asset class despite broader macroeconomic challenges.

In particular, the warehousing segment continued to gain momentum. As of 9M 2025, cumulative warehouse supply in the Klang Valley reached 68.27 million sq. ft., representing a 5.4% year-on-year increase. Despite this expansion, occupancy levels remained robust at 95.7%, only marginally lower than the 96.9% recorded in 9M 2024. Rental rates for Grade A warehouses also showed a modest upward trend. This combination of sustained supply, high take-up, and rental resilience highlights the sector's adaptability to shifting logistics demands and its critical role in supply chain continuity.

Asking Rental Rates Range of Grade A Warehouse

Location	Monthly Gross Rent Range (RM per sq. ft.)	
	9M 2025	9M 2024
Shah Alam	RM2.20 – RM2.60	RM2.00 – RM2.20
Bukit Raja	RM2.00 – RM2.50	RM2.00 – RM2.30
Port Klang/ Pulau Indah	RM1.60 – RM2.00 *	RM1.40 – RM1.90 *

* The asking rent stated refers to standard warehouse space, as the locality has a limited supply of Grade A warehouses.
Abbreviations: sq. ft. – square feet; 9M – January to September
Source: CBRE | WTW Research & Consulting

INCOMING SUPPLY

The industrial market is set to welcome approximately 9.45 million sq. ft. of new net lettable area in 2026, further cementing its position as a key logistics and distribution hub. These developments will be concentrated in both established and emerging logistics corridors, reflecting sustained developer confidence in the region's long-term fundamentals.

The new supply is expected to meet evolving occupier needs, particularly from third-party logistics (3PL) providers and e-commerce operators seeking scalable, efficient, and strategically located facilities. While this influx may cause a temporary and slight moderation in the overall occupancy levels and rental rates, demand is anticipated to absorb these new spaces over time.

Pipeline Development, 2026

Development Name	Location	Estimated NLA (sq. ft.)
Shah Alam International Logistics Hub (SAILH), Phase 1	Shah Alam	2,800,000
Bandar Bukit Raja Industrial Gateway 2 (BBRIG 2)	Bukit Raja	1,250,000
Exio Logistics Hub, Elmina	Sungai Buloh	500,000
Mapletree Logistics Hub, Utas Shah Alam	Shah Alam	4,900,000

Abbreviations: NLA – net lettable area; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Klang Valley: Industrial

INDUSTRIAL TRANSFORMATION: REPURPOSING AND TECHNOLOGY ADOPTION

The transformation of older and underutilised industrial buildings is gaining momentum, as rising land values, improved connectivity, and evolving market demands make redevelopment increasingly viable. These properties are being repurposed into lifestyle hubs, creative studios, F&B outlets, sports centres, and mixed-use developments. Developers and investors are actively responding to this shift, particularly in mature industrial zones near established residential and commercial neighbourhoods, where adaptive reuse has become both practical and commercially attractive.

The industrial sector is also beginning to see a shift towards automation, marked by the rise of Automated Storage and Retrieval System (ASRS) warehouses in key logistics areas across the Klang Valley. These modern facilities maximize vertical storage and improve inventory handling, making them attractive to 3PL providers, e-commerce players and large manufacturers. The move towards ASRS is driven by labour shortages and the growing need for faster delivery. Locations such as Bukit Raja, Shah Alam and Sepang have seen new ASRS developments, reflecting the sector's push for greater efficiency amid the high-cost environment.

However, the true depth of demand for these automated facilities remains to be seen, as adoption may be influenced by high capital costs, tenant readiness and broader market acceptance. As the market moves toward more integrated and technology-driven solutions, the dual trends of adaptive reuse and warehouse automation reflect the Klang Valley's broader shift toward a more diversified, future-ready industrial property landscape.

EMBRACING HIGH-VALUE INDUSTRIAL GROWTH

The Klang Valley industrial sector is actively adapting to stay relevant in a fast-changing market. This change is driven by a move towards higher-value and future-focused industries, with growing activity in specialised areas like aerospace and the rise of modern, managed industrial parks.

The aerospace industry, centered in places like Subang, Sepang and Rawang, exemplifies this shift. Key aerospace hubs in the Klang Valley, including Subang Aerotech Park, Selangor Aero Park, and UMW High Value Manufacturing (HVM) Park, support aerospace manufacturing and MRO (maintenance, repair and overhaul) services. These developments benefit from excellent transport connectivity and specialised facilities tailored to meet the stringent operational requirements of the aerospace sector.

Smart and managed industrial parks are gaining traction, offering modern infrastructure, digital connectivity, and integrated services that enhance operational efficiency. Reflecting this trend, Selangor has launched the IoT-Enabled Industrial Park (IEIP) initiative to transform selected estates into connected, technology-driven ecosystems, highlighting the region's move toward digitalisation, sustainability, and global competitiveness.

Despite these advances, several challenges remain. The availability of skilled talent requires sustained investment in training and education, while the high capital costs of developing smart or managed industrial parks may deter some developers. However, these hurdles are gradually being addressed through public-private partnerships, targeted talent development initiatives, and a stronger focus on integrated infrastructure planning.

By embracing high-value sectors and cutting-edge industrial environments, the Klang Valley is not only reinforcing its resilience but also securing its relevance as a leading industrial hub prepared for future economic shifts.

NAVIGATING 2026 AND BEYOND

Looking ahead to 2026, the Klang Valley industrial sector is poised to navigate a dynamic landscape shaped by both emerging challenges and promising opportunities. While macroeconomic uncertainties and the substantial incoming supply may create short-term fluctuations in occupancy and rental growth, the underlying fundamentals remain robust.

Sustained demand from key segments such as logistics, e-commerce and manufacturing will continue to drive healthy market activity. The sector's ongoing transformation characterised by the adaptive reuse of older industrial properties, increasing adoption of automation technologies and growth in specialised high-value industries like aerospace will further strengthen its competitiveness.

The expansion of smart and managed industrial parks, alongside targeted investments in infrastructure and workforce development, will support a more integrated and future-ready industrial ecosystem. Capital costs and talent availability continue to pose challenges, but collaborative efforts between public and private stakeholders aim to mitigate these issues.

Overall, the Klang Valley industrial market is evolving beyond merely withstanding market pressures. It is actively positioning itself as a key driver of economic growth and innovation. By embracing technological advancements, diversifying into higher-value sectors and fostering collaboration among stakeholders, the region is set to reinforce its status as a premier industrial and logistics hub well equipped to meet the demands of a rapidly changing global economy.

Klang Valley: Hotel

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Hotel Guest (million people)			
Klang Valley	24.69	23.31	▲ 5.9%
International	12.49	11.84	▲ 5.5%
Domestic	12.20	11.47	▲ 6.4%
Kuala Lumpur	16.84	15.77	▲ 6.8%
International	9.60	9.05	▲ 6.0%
Domestic	7.25	6.71	▲ 7.9%
Outside Kuala Lumpur [1]	7.85	7.54	▲ 4.1%
International	2.89	2.78	▲ 3.8%
Domestic	10.74	10.32	▲ 4.0%
Cumulative Supply (No. of Rooms)			
Klang Valley	68,290	66,383	▲ 2.9%
3-Star Hotel	16,466	16,146	▲ 2.0%
4-Star Hotel	22,561	21,891	▲ 3.1%
5-Star Hotel	21,578	21,014	▲ 2.7%
Serviced Apartment	7,685	7,332	▲ 4.8%
Kuala Lumpur	48,460	46,553	▲ 4.1%
3-Star Hotel	11,540	11,220	▲ 2.9%
4-Star Hotel	14,562	13,892	▲ 4.8%
5-Star Hotel	15,301	14,737	▲ 3.8%
Serviced Apartment	7,057	6,704	▲ 5.3%
Outside Kuala Lumpur	19,830	19,830	↔
3-Star Hotel	4,926	4,926	↔
4-Star Hotel	7,999	7,999	↔
5-Star Hotel	6,277	6,277	↔
Serviced Apartment	628	628	↔
Average Daily Room Rate [2]	RM380	RM380	↔
Average Occupancy Rate [2]	69.2%	66.3%	▲ 2.9 pp

Disclaimer: Figures may show slight differences due to rounding.
Notes: 1. Outside Kuala Lumpur (OKL) covers Selangor, Petaling Jaya, Cyberjaya and Putrajaya localities.
2. Inclusive of 3 to 5-star hotels and serviced apartment in Kuala Lumpur and Outside Kuala Lumpur.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Smith Travel Research (STR), Ministry of Tourism Malaysia, CBRE | WTW Research & Consulting

STEADY IMPROVEMENT WITH STRONG RATE RESILIENCE

Hotel performance in 9M 2025 indicates steady market strengthening. Mid-tier hotels in Kuala Lumpur and Selangor led occupancy improvements, supported by resilient domestic demand, SME travel, and short-haul regional visitors. This segment continues to anchor volume recovery due to its broad and dependable customer base.

Premium hotels sustained healthy occupancy despite a mild softening from 2024. Demand remained supported by long-haul leisure, business travel and event-driven stays, reflecting ongoing confidence in the upper-tier market.

Across most categories, operators maintained strong room-rate discipline, keeping overall average daily room rate stable year-on-year, while certain travellers continued to show willingness to pay for upgraded experiences. Serviced apartments also recorded firm rate and occupancy performance, driven by long-stay, project-related, and family travel.

HOTEL REFURBISHMENTS AND CONVERSIONS

Hotel refurbishment and adaptive reuse activities have continued to gain attention across the Klang Valley, reflecting a market-wide shift towards repositioning ageing assets and maximising the value of well-located buildings. In recent years, several prominent office-to-hotel conversions and major hotel upgrades have emerged as part of a broader push to revitalise older stock and align with evolving traveller expectations.

A notable example is the transformation of Wisma KFC into the Hyatt Centric Kuala Lumpur, a 5-star lifestyle hotel that commenced operations in 4Q 2024. Similarly, the Oriental Bank Building underwent a significant conversion and reopened as Moxy Chinatown, contributing a design-led, experience-driven offering in a vibrant heritage district.

Wisma MIDF is also progressing with its office-to-hotel repositioning, signalling continued investor appetite for adaptive reuse projects in central locations. In Petaling Jaya, Eastin Hotel is undergoing a major RM100 million refurbishment to become the PJ Marriott Hotel by 4Q 2026. These developments point to an active cycle of renewal among older assets, supporting the gradual elevation of product quality in mature submarkets.

CHALLENGES AND CONSIDERATIONS

Refurbishment and conversion projects require navigating regulatory approvals, including planning, safety, and land-use compliance from local authorities such as Dewan Bandaraya Kuala Lumpur (DBKL). Retrofitting older buildings can also be complex and capital-intensive, as owners must upgrade infrastructure, layouts, and safety systems to meet modern hospitality standards. While these factors may extend development timelines, they also promote more structured planning and ensure that completed projects are competitive and aligned with current market expectations.

OPPORTUNITIES FOR STRATEGIC ASSET REVITALISATION

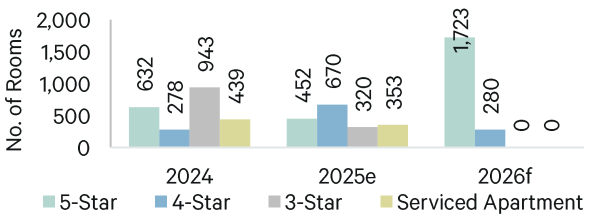
Despite these challenges, conversions allow owners to unlock the value of older buildings in prime locations, especially underutilised ones, where hospitality demand remains resilient. Many of these buildings sit within highly accessible, high-visibility corridors close to tourism, retail and transport nodes, making them suitable candidates for repurposing. With Visit Malaysia (VM2026) expected to boost visitor flows, well-located refurbished hotels stand to benefit from stronger footfall and diversified demand.

Klang Valley: Hotel

FUTURE COMPLETIONS PIVOT TOWARD LUXURY DOMINANCE

The hotel market is entering a structural shift in its supply composition. While 2024 and 2025 were shaped by mid-market supply that catered to domestic-led recovery and stabilised occupancy, the 2026 pipeline marks a significant escalation in product positioning. The upcoming pipeline is overwhelmingly luxury-skewed, with close to 90% of new rooms classified as 5-star. This upmarket transition reflects renewed investor confidence, heightened interest from global operators, and broader efforts to elevate KL's tourism profile ahead of VM2026. The clustering of these flagship developments across key corridors signals a deliberate recalibration of the city's hospitality offering towards premium, experience-driven stays that align with international expectations.

New Completion and Future Supply by Star Rating



Abbreviations: 9M – January to September; e – estimate; f – forecast
Source: CBRE | WTW Research & Consulting

Selected Pipeline Developments

Location	Hotel Name	Star
Jalan Ampang	SO Sofitel Kuala Lumpur	5
Jalan Tun Razak	Regent Kuala Lumpur	5
Jalan Sultan Ismail	Conrad Kuala Lumpur	5
Tun Razak Exchange	Kimpton Naluria Kuala Lumpur	5
Jalan Raja Chulan	Waldorf Astoria Hotels & Resorts	5
i-City Shah Alam	Wyndham Suites i-City	5
Petaling Jaya	Petaling Jaya Marriott Hotel *	5
Subang	Courtyard by Marriott Subang	4

* Currently undergoing major renovation from Eastin Hotel Kuala Lumpur
Source: CBRE | WTW Research & Consulting

EXPANDING LUXURY SEGMENT ENCOURAGES STRATEGIC DIFFERENTIATION

The significant influx of luxury hotels scheduled for 2026 is set to elevate KL's premium hospitality landscape, contributing to stronger destination appeal and a broader range of high-quality offerings for travellers.

The clustering of luxury openings coincides with an expected uplift in international arrivals, allowing operators to tap into stronger travel demand. At the same time, the enlarged luxury inventory will naturally introduce a more competitive environment, encouraging hotels to refine their positioning and strengthen their value propositions. The upcoming pipeline reinforces the need for strategic differentiation, prompting operators to further elevate product quality and guest experiences.

Operators will benefit from focusing on distinctive guest experiences, refreshed room products, elevated service standards, and F&B concepts that resonate with evolving traveller preferences. Strengthening loyalty programmes, enhancing digital engagement, and forming targeted partnerships will further support occupancy and rate potential. As the market transitions into a higher-value phase, the expanded luxury segment is poised to stimulate innovation and uplift overall service benchmarks, supporting sustained growth while ensuring KL remains relevant and competitive on the regional tourism stage.

VM2026: UNLOCKING THE NEXT WAVE OF VISITOR GROWTH

VM2026 is set to act as a major catalyst for Klang Valley's tourism and hospitality sector, supported by strong policy and fiscal measures under Budget 2026. The national campaign brings renewed focus on international arrivals, backed by substantial allocations for tourism promotion, enhanced international flight connectivity, and upgrades to cultural and heritage assets. These measures are expected to lift inbound traffic into Klang Valley, the country's primary gateway, strengthening hotel demand across leisure, shopping, business travel, and event-driven segments.

Budget 2026 further introduces tax deductions of up to RM500,000 for registered tourism operators undertaking renovations or upgrades, providing hotels with a timely opportunity to refresh their products ahead of heightened international visibility. Additional incentives for inbound-tourism operators and organisers of international conferences further strengthen Kuala Lumpur's positioning as a regional MICE hub, contributing to steadier weekday demand and higher utilisation of meeting and banquet facilities. Domestic tourism will also benefit from personal tax relief for entrance fees to local attractions, encouraging weekend stays and reinforcing local travel activity.

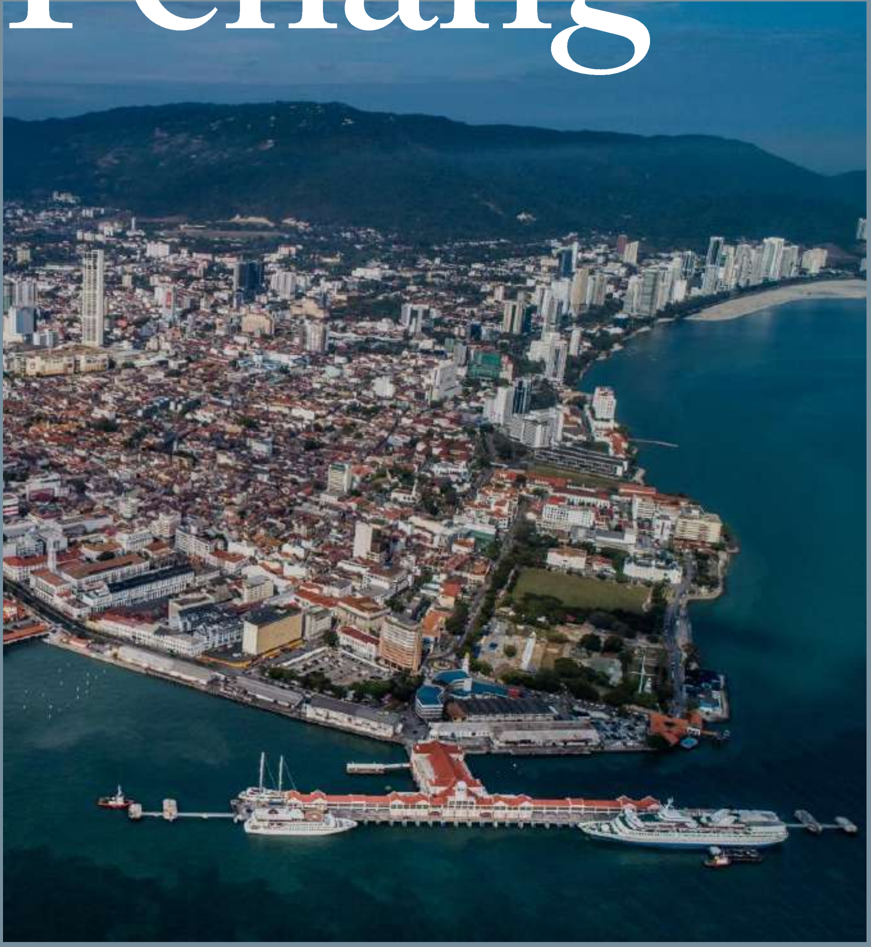
Collectively, these measures establish a favourable backdrop for operators seeking to reposition or enhance their offerings. With VM2026 expected to elevate visitor volumes and diversify market segments, hotels that reinvest, innovate, and strengthen their experiential value will be well-placed to capture the uplift. The alignment of national tourism initiatives with an increasingly sophisticated hotel pipeline supports the Klang Valley's transition into a more competitive and relevance-driven hospitality landscape.

SOLIDIFYING PERFORMANCE WHILE ADVANCING UPMARKET

The Klang Valley hotel market in 2025 was defined by stabilising demand patterns, stronger pricing confidence, and a visible uptick in asset reinvestment. Operators focused on consolidating performance through rate discipline, selective refurbishment, and improved operational efficiency, which is a phase that underscored the sector's resilience following years of market adjustment.

Entering 2026, the landscape is shaped by a different set of forces. A luxury-weighted supply pipeline, rising brand presence, and national tourism initiatives are repositioning toward higher-value travel segments. Demand is expected to become more experience-led, competition more quality-driven, and asset strategies more forward-looking. The shift from resilience to relevance is ultimately characterised by the market's transition from sustaining performance to elevating its competitive standing within the region.

Penang



Penang in 2026: Where Industrial Power Meets Future Connectivity

The evolvement of Penang property market in 2026 would be anchored on connectivity, industrial strength, and lifestyle transformation. Upcoming infrastructure will enhance connectivity and unlock new investment corridors. While Industrial real estate will remain the cornerstone of growth, the residential demand is expected to pivot toward well-located and lifestyle-driven projects. For the commercial sector, stable prime office occupancy, segmented retail growth, and tourism-driven hospitality is expected.

Sr Peh Seng Yee
Director
CBRE | WTW Penang

Penang: Residential

KEY INDICATOR

	2025	2024	y-o-y
State Population ('000)	1,803.3	1,800.5	▲ 0.2%
	9M 2025	**9M 2024**	**y-o-y**
Cumulative Supply (million unit)			
Overall	0.586	0.580	▲ 1.0%
High-Rise	0.317	0.315	▲ 0.9%
Landed	0.269	0.265	▲ 1.8%
High-Rise Transaction			
Volume (unit)	6,312	6,452	▼ 2.2%
Value (RM billion)	2.261	2.460	▼ 8.1%
Landed Transaction			
Volume (unit)	6,248	6,586	▼ 5.1%
Value (RM billion)	3.462	3.725	▼ 7.1%
Overhang (unit)			
Overall	4,009	3,150	▲ 27.3%
High-Rise	3,610	2,742	▲ 31.7%
Landed	399	408	▼ 2.2%
Malaysia Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Malaysia Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Bank Negara Malaysia, Department of Statistics Malaysia, National Property Information Centre, CBRE | WTW Research & Consulting

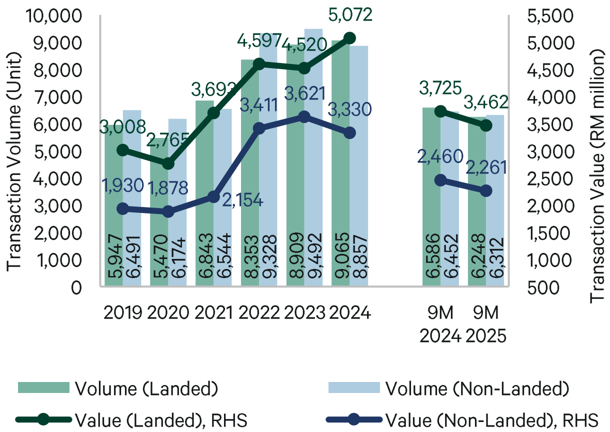
RESIDENTIAL TRANSACTIONS AND OVERHANG

The residential sub-sector continues to record the highest number of transactions, accounting for 74.8% of total market activity as at 9M 2025. Activity in this segment moderated slightly during the period, with 12,745 units worth RM5.88 billion transacted, compared with 13,290 units valued at RM6.28 billion in 9M 2024. This reflects a 4.1% decline in volume and a marginal 6.3% decrease in value.

Residential overhang has increased from 3,150 units in 9M 2024 to 4,009 units in 9M 2025. High-rise units account for the largest share of the overhang, totaling 3,610 units valued at RM2.229 billion, with most units priced at RM1 million and above. The extension of the 5% discount on unsold units under the Madani Home Ownership Campaign to all buyers is expected to help ease the current overhang.

Despite moderating transactions and a sizeable overhang, new launches remain active, driven by strategic locations and reputable developers, while buyer sentiment continues to be cautious.

Residential Transactions in Penang



Note: Residential transactions include serviced apartments and Small Office Home Office (SOHO) units.
Abbreviations: 9M – January to September; RHS – refer to right-hand-side axis
Source: National Property Information Centre, CBRE | WTW Research & Consulting

ACTIVE NEW LAUNCHES

Eastern & Oriental (E&O) has continued its Andaman Island development with the launch of Phase 3, introducing the three-storey Fera Courtyard Terraces and the Senna Semi-Detached Homes. The Fera series comprises 22 terrace units with built-up areas ranging from 3,615 to 5,173 sq. ft. and starting prices from RM3.86 million. The Senna series features 8 semi-detached units with built-ups between 4,637 and 5,337 sq. ft. starting from RM4.88 million.

On the Penang mainland, new landed developments are concentrated in Seberang Perai Selatan, reflecting sustained demand in both established and emerging townships. Landed schemes in the pipeline include Lavender Park, Viluxe II, Taman Perdana Putera, and Taman Simpang Ampat.

In the high-rise segment, IJM launched Merione, a single-tower integrated development combining residential, retail, and commercial components within a 39-storey block on a 1.88 acres site at the Light Waterfront. The residential component, Merione Residence, spans levels 11 to 39 and comprises 145 semi-furnished condominium units in three layouts of 1,055, 1,195, and 1,206 sq. ft. Each unit includes two to three parking bays, with pricing set at RM1,350 per sq. ft.

Mah Sing Group Bhd introduced M Zenni, a 33-storey mixed development in Batu Maung township, featuring 494 serviced apartments and 10 commercial shoplots, with a gross development value of RM309 million. Unit sizes range from 688 to 1,184 sq. ft. across studio, 1+1, three-bedroom, and four-bedroom layouts, with indicative prices starting from RM480,000.

Other upcoming high-rise developments include Pinnacle Bukit Gambier, Eight & Eight Condominium, and Setia SV2 on the island, as well as Altus Residency, The Fame, and Silkspring Residences in Seberang Perai.

Sustained demand and a steady pipeline of supply are expected to continue shaping Penang's residential market.

Penang: Residential

AFFORDABLE HOUSING DEVELOPMENTS

In terms of affordable housing, major projects on the mainland include Scientex Jawi in Sungai Jawi, comprising 267 double-storey terrace units with built-up areas of 1,173 sq. ft. The homes feature reinforced concrete structures, tiled flooring, and quality fittings, with prices ranging from RM330,800 to RM494,500, and the project is slated for completion in September 2027.

On the island, D'Hazelton, an affordable high-rise development by GSD Land located in Farlim, Air Itam, was recently launched. The project consists of two blocks with a total of 1,670 units to cater to affordable homebuyers.

MARKET ACTIVITY AND FUTURE PROSPECTS

In terms of transaction activity, Mah Sing Group has acquired 2.83 acres of land in George Town from the Penang Development Corporation (PDC) for RM51.80 million. The site, located 450 meters from the future Bandar Sri Pinang LRT station, is planned for the RM528 million M Cora mixed development, comprising two-bedroom condominiums ranging from 904 to 1,015 sq. ft. and commercial suites of 450, 660, and 750 sq. ft. Subject to approvals, the development is slated for launch in 2Q 2026, with indicative prices starting from RM426,000, targeting first-time homeowners, working adults, families, and investors.

In addition, Paramount Corporation has acquired 18.97 acres of freehold land in Bandar Cassia from PDC for RM57.84 million and plans a mixed-use development with an estimated GDV of RM744 million. The project will comprise serviced apartments, semi-detached townhouses, and shop-offices, with construction scheduled to begin in 2027 and expected to be completed by 2033.

Ongoing infrastructure projects, particularly the future LRT Mutiara Line, are expected to support steady growth in Penang's residential sector. Developers are likely to offer the right products in prime locations while managing pricing and phased launches to align with market demand.

Penang: Purpose-Built Office

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply (million sq. ft.)			
Overall	10.20	11.92	▼ 14.4%
Mainland	2.52	3.03	▼ 16.8%
Island	7.69	8.89	▼ 13.4%
Occupancy Rate			
Overall	85.0%	83.2%	▲ 1.8 pp
Mainland	75.0%	76.5%	▼ 1.5 pp
Island	88.3%	85.5%	▲ 2.8 pp

Disclaimers:

i. Figures may show slight differences due to rounding.

ii. The decline in supply figures in 9M 2025 is attributed to reclassification exercise, which involved refining the definitions of PBO buildings. Based on the updated data for Penang Island and Mainland, several buildings previously included in the PBO inventory may have been: Reclassified under different categories (such as shophouse offices or institutional buildings); excluded for not meeting the minimum net lettable area (NLA) requirement; or removed due to a change in building usage.

Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; sq. ft – square feet

Source: CBRE | WTW Research & Consulting

UPCOMING HIGH-QUALITY OFFICES DRIVING PENANG'S PURPOSE-BUILT OFFICE (PBO) MARKET

The Penang PBO market continued to demonstrate resilience in 2025, with total existing supply recorded at 10.20 million sq. ft. The completion of GBS by the Sea added approximately 290,000 sq. ft. of new office space. Upcoming developments are expected to contribute an additional 0.80 million sq. ft., while the Capstone Corporate Suites, comprising 395 units, will further expand the overall office supply.

Moderate supply growth is anticipated through 2026. Ideal GBS @ Penang Airport, developed by Ideal Property Group, is scheduled for completion by the end of 2025, with occupancy expected to start in 2026. This Malaysia Digital (MD) compliant office development is strategically located opposite Penang International Airport (PIA) in Bayan Lepas. Each 1,000 sq. ft. of office space will include three chargeable parking bays, enhancing convenience for tenants.

Another notable development is The Light Exchange, located within The Light City, a 32.76 acres mixed-use precinct by IJM Perennial Development Sdn Bhd. The building will comprise office space and two hotels. It features nine floors of offices with a total net lettable area of approximately 180,000 sq. ft., with each floor providing around 20,000 sq. ft. of workspace. Approximately 80% of the office space is expected to be leased by year-end, with project completion scheduled for 1Q 2026.

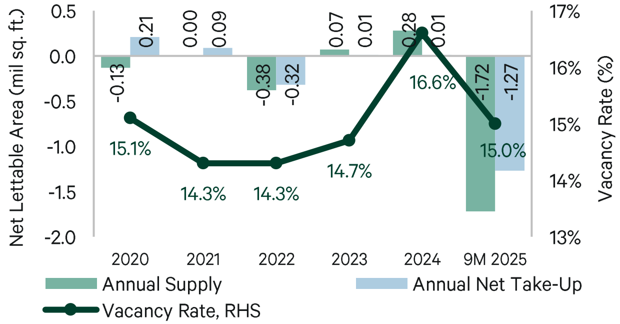
In the pipeline, GBS @ Technoplex is expected to add approximately 400,000 sq. ft. of hybrid office space, catering to GBS, IC design, R&D, and digital firms. The 10-storey tower has already attracted about 20% registered interest and will commence construction once 40% of the space is pre-let. Scheduled for completion in 2028, it will be the largest GBS building under the PDC Signature Series. The development is expected to be green-certified, with flexible layouts, 5kN floor strength supporting roughly 500 kg per sq. m., full backup power, and EV-ready facilities.

PERFORMANCE AND DEMAND DRIVERS

Occupancy rates for PBOs remained stable at approximately 88.3% on Penang Island and 75.0% in Seberang Perai, resulting in an overall rate of 85.0% for the state. Demand continues to be driven by multinational corporations (MNCs) and companies in the digital economy, particularly for new and high-specification PBO space.

The monthly gross rental rates for existing PBOs in Penang Island have generally remained stable, ranging between RM2.60 and RM5.50 per sq. ft. New PBOs in the pipeline are marketed at asking rates of up to RM6.00 per sq. ft. per month and above.

Annual Supply, Net Take-Up & Vacancy Rate, 9M 2025



Abbreviations: mil sq. ft. – million square feet; 9M – January to September; RHS – refer t right-hand-side axis

Source: CBRE | WTW Research & Consulting

Pipeline Development

Building Name	NLA (sq. ft.)	Location	Target Completion
Ideal GBS @ Penang Airport	230,000	Bayan Lepas	4Q 2025
The Light Exchange	180,000	Gelugor	2026
Capstone Corporate Suites	395 units	Batu Kawan	2027
GBS @ Technoplex	400,000	Bayan Lepas	2028

Source: CBRE | WTW Research & Consulting

Penang: Purpose-Built Office

Corporate expansions continue to support the market, such as:

- Advanced Micro Devices (AMD) officially opened its new 209,000 sq. ft. office and engineering lab at GBS by the Sea, accommodating over 1,200 employees and featuring open workspaces and advanced engineering facilities for semiconductor design.
- Coherent Corp launched Coherent Malaysia's first Datacom R&D Center at Menara IJM, focusing on optical transceiver technologies for AI and cloud computing, while strengthening connectivity between its manufacturing sites in Ipoh, Perak, and Perai, Penang, as well as its R&D hub in Shanghai.
- Bitdeer Technologies Group announced the opening of its new facility in Sunshine Tower, aligning with its ambition to build a strong team of local IC design engineers, an objective that resonates with one of the PSD@5KM+'s goals.
- Penang Silicon Design @ 5KM+ welcomed its second batch of incubatees, Channel Microsystems and Tenasic Technology, into the Silicon Research & Incubation Space @GBS TechSpace. With these additions, PSD @ 5KM+ now hosts a total of seven local IC design companies.

The PBO market is expected to record growth in the near term, supported by upcoming prime developments. Sustained demand from MNCs is likely to continue, although the incoming supply may temporarily moderate occupancy levels. Rental growth is expected to persist, particularly for modern, well-specified, and strategically located PBOs.

Penang: Purpose-Built Retail

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Malaysia's Annual Retail Sales Growth	2.7%	3.8%	▼ 1.1 pp
State's Consumer Price Index	137.1	135.5	▲ 1.6 pts
State's Inflation	1.2%	3.0%	▼ 1.9 pp
Cumulative Supply (million sq. ft.)			
Overall	21.10	20.89	▲ 1.0%
Mainland	9.08	8.74	▲ 3.9%
Island	12.02	12.15	▼ 1.1%
Occupancy Rate			
Overall	74.5%	70.5%	▲ 4.0 pp
Mainland	71.2%	61.5%	▲ 9.7 pp
Island	76.1%	77.0%	▼ 0.9 pp

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; pts - points
Source: Retail Group Malaysia, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

POSITIVE RETAIL OUTLOOK AMID SEGMENTED GROWTH

The total retail space in Penang State stands at approximately 21.10 million sq. ft., with 12.02 million sq. ft. on Penang Island and 9.08 million sq. ft. in Seberang Perai.

The Waterfront Shoppes, the latest phase of The Light Waterfront development, spans 0.68 million sq. ft. and is scheduled for completion in 2Q 2026. Retail leasing activities have already commenced. The mall is set to feature fashion boutiques, artisanal cafés, flagship stores, and immersive attractions.

Retail growth is expected to remain steady yet segmented, driven by an upcoming integrated development strategically located near established residential and commercial hubs. Market absorption will largely depend on effective tenant curation and strategic positioning.

Overall occupancy for retail malls in Penang is approximately 74.5%, with Seberang Perai at 71.2% and Penang Island at 76.1%.

EMERGING RETAIL OFFERINGS IN PRIME MALLS

New retail offerings continue to emerge in Penang's prime malls, reflecting refurbishment efforts and innovative store concepts. Notably, Guardian Malaysia opened its first-ever flagship store at Queensbay Mall, occupying 2,186 sq. ft. The store features over 1,400 health and beauty products and incorporates AI-based skin health check services.

Additionally, the old wing of Sunway Carnival Mall has completed its refurbishment, enhancing the mall's appeal with a refreshed layout, modern interiors, and improved shopper flow. The renovation has attracted a vibrant mix of new F&B tenants, entertainment outlets, and fashion brands, creating a more dynamic and engaging environment for visitors.

Leasing demand is expected to remain focused on F&B, fashion, and health and beauty segments, while tourism is anticipated to support retail performance and drive footfall at prime malls.

Notable Tenant Movements in 2H 2025

Retail Mall	New Tenant Entries by Brands
Sunway Carnival Mall	• F&B: Dave's Deli, Rutin, HWC Coffee, Din Tai Fung, Salon Du Chocolat, Four Beans Soy Desserts, 4 Fingers Crispy Chicken, Paris Baguette, Haagen-Dazs, Yuzhou Tea, Oriental Kopi • Entertainment: Neonest, Neo Akido, Loud Speaker • Fashion & Apparel: Christy Ng, MLB, Solewhat
Gurney Paragon Mall	• F&B: Ban Bu Dian, San Xi Lou • Automotive: Denza
1st Avenue Mall	• F&B: BlackBall, Chagee • Health & Beauty: Kskin
Queensbay Mall	• Health & Beauty: Guardian • Fashion & Apparel: Colegacy Concept Store
Design Village Outlet Mall	Fashion & Apparel: Outlet by Sorella [Sassy Fancy], Country Hide
Sunshine Central Mall	F&B: Haku Express
Gurney Plaza	F&B: Polar Puffs & Cakes

Source: CBRE | WTW Research & Consulting

The Waterfront Shoppes, The Light Waterfront
Source: CBRE | WTW Research & Consulting

Penang: Industrial

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply Factories (unit)			
Overall	9,974	9,953	▲ 0.2%
Detached	2,000	2,000	↔
Semi-Detached	2,064	2,084	▼ 1.0%
Terraced	5,291	5,268	▲ 0.4%
Cluster	17	17	↔
Others [1]	602	584	▲ 3.1%
Transaction Performance			
Volume (unit)	327	373	▼ 12.3%
Value (RM billion)	1.310	1.232	▲ 6.4%
Overhang Supply Factories (unit)			
Overall	7	26	▼ 73.1%
Detached	0	0	↔
Semi-Detached	0	3	▼ 100%
Terraced	7	9	▼ 22.2%
Cluster	0	0	↔
Others [1]	0	14	▼ 100%
State's Total Approved Investment (RM million)	23,678.0	22,682.3	▲ 4.4%
State's Approved Manufacturing Investment (RM million)	15,786.1	12,143.1	▲ 30.0%

Disclaimer: Figures may show slight differences due to rounding.
Note 1: Other factories including flatted factories, industrial complexes.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: Malaysian Investment Development Authority, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

THRIVING INVESTMENT ACTIVITY

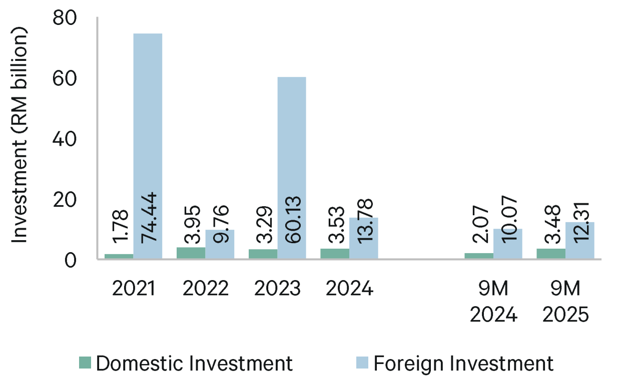
Penang's industrial property sector continues to attract strong investment, ranking among the top three states after Johor (RM18.649 billion) and Kedah (RM15.801 billion). The state recorded approved manufacturing investments totaling RM15.79 billion across 146 projects from January to September 2025, an increase from RM12.14 billion during the same period in 2024. Foreign direct investments (FDI) accounted for 78.0% of total approvals, while domestic investments contributed the remaining 22.0%. The investment activities are expected to maintain steady growth in the coming years, reflecting sustained interest from multinational investors and ongoing industrial expansions across the state.

Notable new investments: Vivax Metrotech Corporation (VXMT) is establishing a new manufacturing facility with an RM48 million investment. The facility will create 175 highly skilled jobs and feature 16 assembly production lines alongside specialised clean room operations.

New industrial complexes that recently commenced operations:

- Dialight Penang Sdn Bhd officially launched its 57,000 sq. ft. manufacturing facility, employing over 100 staff and serving as a major production and distribution hub.
- Linktel Technologies Sdn Bhd opened its second plant in Penang, a RM200 million investment producing next-generation optical transceivers. This expansion represents the company's largest investment in Malaysia to date, creating over 1,500 skilled jobs. Plant 3 is already in the planning stage.

Approved Manufacturing Investment



Abbreviation: 9M – January to September
Source: Malaysian Investment Development Authority, CBRE | WTW Research & Consulting

INDUSTRIAL MARKET ON THE RISE

According to NAPIC, the supply of industrial units in Penang rose slightly from 9,953 units in 9M 2024 to 9,974 units in 9M 2025. The total transaction value grew by 6.4%, reaching RM1.310 billion in the first nine months of 2025, up from RM1.232 billion in 9M 2024.

Industrial land values in PDC industrial parks across Seberang Perai generally range from RM70 to RM105 per sq. ft., encompassing key locations such as Penang Science Park, Penang Science Park North, Batu Kawan Industrial Park, Batu Kawan Industrial Park 3, and Bandar Cassia Technology Park.

Rental rates vary by location, ranging from RM1.80 to RM3.00 per sq. ft. per month in Seberang Perai, and from RM2.50 to RM4.00 per sq. ft. per month in Bayan Lepas.

Prices and rentals are projected to increase modestly in 2026.

Penang: Industrial

NEW PRIVATE INDUSTRIAL FACTORIES

Nexus Industrial Hub by Bionic Land, located in Jawi, Nibong Tebal near Sungai Bakap and Batu Kawan, comprises 40 units of 2-storey semi-detached light industrial spaces, with unit sizes ranging from 4,998 sq. ft. to 8,172 sq. ft. and land areas spanning 8,797 sq. ft. to 13,858 sq. ft. Each unit features functional warehouse or production spaces on the ground floor and office spaces on the first floor, designed for versatile industrial operations.

M12 Industrial Park by Oriental Max Group, a freehold development in Bukit Minyak, consists of 12 double-storey semi-detached units with three layout types, offering built-ups of 3,780 sq. ft. to 5,880 sq. ft.

LARGE-SCALE INDUSTRIAL EXPANSION IN PROGRESS

Penang Silicon Island (2,300 acres) has seen approximately 250 acres, about 11% of the total area, reclaimed as of October 2025. The master developer, Silicon Island Development (SID), has unveiled Phase 1 of the 99-year leasehold Green Tech Park. The first phase of land development is on track to accommodate the construction of the initial factories in 2026, with operations expected to commence as early as 2027.

Penang's industrial outlook remains positive, though sustained growth will depend on navigating global uncertainties.

Penang Silicon Island
Note: Penang Silicon Island site progress as of September 2025.
Source: CBRE | WTW Research & Consulting

Other Upcoming Major Industrial Parks

Projects	Acres	Estimated Completion
Bandar Cassia Technology Park (BCTP)	382	2026
Batu Kawan Industrial Park 3 (BKIP 3)	407	2031
Penang Science Park South (PSPS)	174	2031
Penang Technology Park @ Bertam (PTP)	880	TBC
Northern TechValley @ BKE	176	2029

Abbreviation: TBC – to be confirmed
Source: CBRE | WTW Research & Consulting

PENANG'S LOGISTICS SECTOR GAINS MOMENTUM

Penang's logistics sector is gaining momentum, supported by the development of the Penang International Logistics Aeropark (PILA), a 42-hectare integrated logistics hub by the Penang Development Corporation (PDC), located adjacent to Penang International Airport. Phase 1 of PILA is slated to be operational by 2028, further strengthening the state's air cargo capacity and supply chain ecosystem.

PDC has signed two Memoranda of Understanding (MoUs) with global logistics giants Federal Express Services (M) Sdn Bhd (FedEx) and DHL Express (Malaysia) Sdn Bhd in relation to PILA. FedEx will develop a 100,000 sq. ft. fully integrated logistics and air cargo facility within PILA, with an investment of approximately RM46 million, targeted for completion by end-2028.

Additionally, Sin-Kung Logistics Berhad (SKL) is exploring the lease or tenancy of a strategic parcel within PILA. The six-month non-binding MoU serves as a framework for ongoing discussions, with a final agreement subject to Board approval.

Meanwhile, global logistics leader UPS has opened a new package centre in Penang and expanded its existing hub at Penang International Airport to increase processing capacity. The new 20,000 sq. ft. package centre, located in Penang Science Park North, features advanced automation and enhanced warehousing processes to support growing parcel volumes.

Penang: Hotel

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
State's Hotel Guest (million people)			
Overall	6.31	5.99	▲ 5.2%
International	2.60	2.43	▲ 7.0%
Domestic	3.71	3.56	▲ 4.0%
Cumulative Supply (No. of Rooms)			
Overall	16,770	15,661	▲ 7.1%
Mainland	3,044	2,712	▲ 12.2%
Island	13,726	12,949	▲ 6.0%
Average Daily Room Rate			
City Hotel	RM305	RM307	▼ 0.6%
Beach Hotel	RM441	RM450	▼ 2.0%
Average Occupancy Rate			
City Hotel	67.1%	65.9%	▲ 1.2 pp
Beach Hotel	70.9%	69.4%	▲ 1.5 pp

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Smith Travel Research (STR), Ministry of Tourism Malaysia, CBRE | WTW Research & Consulting

EXPANDING HOTEL SUPPLY

The hotel market in Penang is expected to remain vibrant, with seven new hotels adding approximately 1,350 rooms throughout 2025. Another 12 hotels are in the pipeline, projected to contribute around 2,636 rooms to total supply.

With these new openings, the anticipated surge in mid- to upscale hotel supply is expected to intensify competition among operators, potentially exerting downward pressure on room rates and occupancy.

HOTEL PERFORMANCE AND VISITOR GROWTH

From January to September 2025, 3- to 5-star beach hotels on Penang Island recorded an average occupancy rate of 70.9%, with an Average Daily Rate (ADR) of RM441. Meanwhile, city hotels achieved an occupancy rate of 67.1%, with an ADR of RM305.

According to Tourism Malaysia, hotel guest stays in Penang increased by 4.9% year-on-year in 1H 2025, reaching approximately 4.02 million guests compared to 3.83 million in 1H 2024. The rise in visitor numbers was largely driven by visa-free travel initiatives and enhanced air connectivity.

ENHANCED CONNECTIVITY AND AIRPORT EXPANSION BOOST TOURISM CAPACITY

Penang continues to strengthen its international connectivity, currently offering direct flights to six major cities in China, namely Guangzhou, Xiamen, Shanghai, Hong Kong, Shenzhen and Chengdu, as well as to Chennai in India. A new Jakarta to Penang route launching in November 2025 will operate three times weekly, expanding to daily flights in December, reflecting Penang's strong appeal to Indonesian healthcare travelers.

In addition, Batik Air has announced two new daily routes connecting Medan to Penang and Singapore to Penang starting in December 2025, further enhancing regional accessibility.

Penang International Airport (PIA) recorded 2.06 million passengers in 2Q 2025, reflecting an 8.42% year-on-year increase. The ongoing RM1.2 billion expansion project aims to almost double the airport's annual handling capacity from 6.5 million to 12 million passengers. The new terminal is expected to commence operations by 2027, with full completion targeted for 2028.

New Completion in 2025

Development	No. of Rooms	Star Rating
Fifth Avenue Hotel Penang	241	5-star
Landison Hotel Penang	100	4-star
The Millen Penang, Autograph Collection	146	5-star
Citadines Tanjung Tokong	143	3-star
Holiday Inn & Suites	332	4-star
M Social Resort Penang	318	4-star
Citadines Connect Bertam Georgetown Penang	70	N/A

Abbreviation: N/A – no info available
Source: CBRE | WTW Research & Consulting

Pipeline Development

Development	No. of Rooms	Expected Opening
HARRIS Hotel & Conventions Sunshine Penang	289	2026
Hompton Air-Port @ Bayan Lepas	293	2026
Capri By Fraser, Penang	248	2026
JdV by Hyatt The Light City Hotel	156	2026
Galaxy Minyoun Penang The Light City Hotel	303	2026
Citadines Batu Maung Penang	200	2027
Le Méridien Penang Airport	200	2027
Oakwood Hotel & Apartment Batu Maung	204	2028
Ascott Residences Batu Ferringhi	99	2028
Penang Marriott Hotel Queens Waterfront	262	2029
Westin Hotel, Penang	217	TBC
Proposed Hotel along Jalan Anson	165	TBC

Abbreviation: TBC – to be confirmed
Source: CBRE | WTW Research & Consulting

Penang: Hotel

EMERGING MICE AND NEW ART GALLERY IN PENANG

The Meetings, Incentives, Conventions and Exhibitions (MICE) segment in Penang is gaining momentum, supported by the addition of new large-scale facilities. The Penang Waterfront Convention Centre (PWCC) officially opened in October 2025, offering 10,443 sq. m. of event space and positioning itself as one of the state's largest convention venues.

In addition, the Lin Xiang Xiong Art Gallery (LXX), designed in the shape of a turtle, is set to open in December 2025. Spanning 8,000 sq. m. across seven storeys, the gallery will function as both an art museum and a cultural landmark, further strengthening Penang's reputation as a creative and heritage-driven destination.

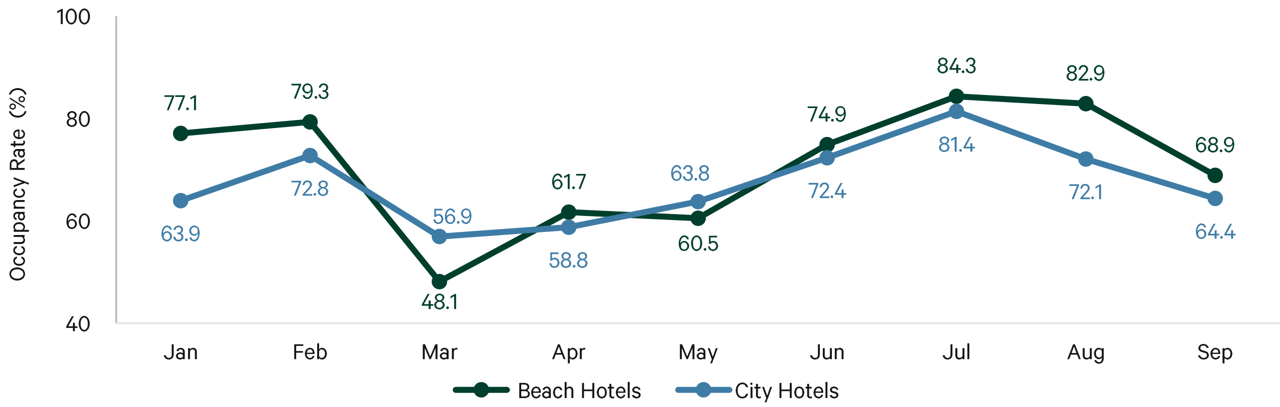
MAJOR HOSPITALITY ACQUISITIONS HIGHLIGHT INVESTOR CONFIDENCE

In terms of investment activity, Oriental Holdings Bhd expanded its domestic hospitality portfolio through the acquisition of three hotels for RM411 million in cash from its major shareholder. The group signed agreements with Boon Siew Sdn Bhd to acquire Bayview Beach Resort Penang for RM167 million and Bayview Hotel Georgetown for RM153 million, while Bayview Hotel Langkawi was purchased from Boon Siew Development Sdn Bhd for RM91 million.

PENANG HILL CABLE CAR PROJECT BOOSTS TOURISM ACCESS

Tourism-related infrastructure continues to advance, with the Penang Hill Cable Car project now under construction. Financing has been secured, and completion is targeted for 2027. Once operational, the cable car system will improve accessibility and enhance Penang's tourism offerings, further strengthening its position as one of Malaysia's leading leisure and business destinations.

Average Occupancy Rate, 2025



Source: CBRE | WTW Research & Consulting

Penang International Airport (PIA) Expansion
Source: CBRE | WTW Research & Consulting

Penang Hill Cable Car Project
Source: CBRE | WTW Research & Consulting

Johor Bahru, Johor

Entering 2026, Iskandar Malaysia teeters on the cusp of a sustained growth cycle anchored by enhanced connectivity, knowledge spillovers, and large-scale institutional investment.

Sr Jonathan Lo
Director
CBRE | WTW Johor Bahru

Johor Bahru: Residential

KEY INDICATOR FOR ISKANDAR MALAYSIA

	2025	2024	y-o-y
Iskandar Malaysia's Population ('000)	2,345.3	2,328.3	▲ 0.7%
	9M 2025	**9M 2024**	**y-o-y**
Cumulative Supply (million unit)			
Overall	0.72	0.70	▲ 2.9%
High-Rise	0.26	0.25	▲ 4.5%
Landed	0.46	0.45	▲ 2.3%
High-Rise Transaction			
Volume (unit)	6,368	7,244	▼ 12.1%
Value (RM billion)	2.96	3.46	▼ 14.4%
Landed Transaction			
Volume (unit)	15,897	16,429	▼ 3.2%
Value (RM billion)	10.78	10.31	▲ 4.6%
Overhang (unit)			
Overall	11,272	14,383	▼ 21.6%
High-Rise	10,369	13,644	▼ 24.0%
Landed	903	739	▲ 22.2%
Malaysia Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Malaysia Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The population, supply, transaction volume and value, as well as overhang data, encompass the districts of Johor Bahru, Kulai, and Pontian.

Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points

Source: Bank Negara Malaysia, Department of Statistics Malaysia, National Property Information Centre, CBRE | WTW Research & Consulting

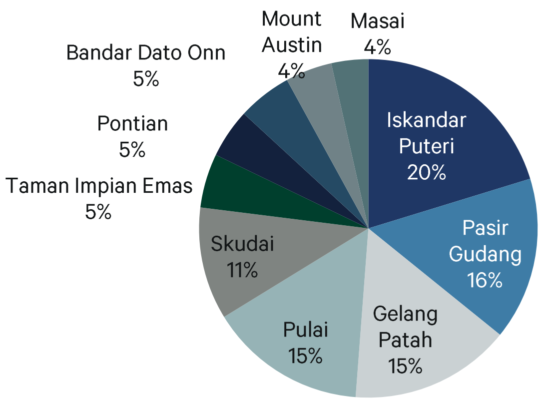
URBAN CORE INTENSIFICATION VERSUS SUBURBAN SPILLOVER

In 2026, the Johor residential market is expected to bifurcate along two axes of demand. Within the city centre and RTS corridors, densification is driven by heightened commuter and investor interest. The proximity to Singapore and the enhanced connectivity of the RTS spur demand for high-rise, transit-oriented projects. At the same time, family buyers are gravitating toward suburban spillover areas, particularly well-connected townships that balance affordability and space.

As land constraints and pricing pressures mount in the urban core, developers are increasingly pushing landed projects to the periphery. High-density serviced apartments and integrated mixed-use projects dominate central Johor Bahru and the RTS-adjacent zones, while new landed schemes are being launched across Iskandar Puteri, the Tebrau corridor, Kulai, and emerging townships such as Bandar Layangkasa near Pasir Gudang and Tanjung Langsat, both anchored by heavy industrial clusters.

Buyer sentiment remains buoyant, supported by catalysts such as Johor Bahru Electrified Double-Track Rail (EDTP), petrol subsidy rationalisation (lowers transport costs) and monetary policy easing (improve mortgage affordability and drive stronger absorption of new launches).

Supply Distribution of New Landed Residential Launch



Source: National Property Information Centre, CBRE | WTW Research & Consulting

LANDED DEMAND STRENGTHENS VALUE UPLIFT

Landed residential homes continue to anchor housing demand in Iskandar Malaysia. While high-rise and stratified products have gained traction in denser urban corridors, landed units still dominate due to strong cultural preferences, perceptions of superior long-term capital preservation, and the increasingly limited availability of landed stock in established neighbourhoods.

The table below illustrates this divergence: average transaction values for landed homes rose by approximately 6.6%, outpacing the 3.6% growth recorded for non-landed units. Drilling into the data shows that this momentum is not uniform across all landed segments. Single-storey semi-detached homes saw a notable 20.5% increase, while cluster homes registered an even stronger 22.0% uplift, signalling heightened buyer interest in mid-range landed formats that offer both affordability and space efficiency.

Average Value (RM) Per Transaction by Property Type

Type	3Q 2025	3Q 2024	y-o-y
1-Terraced	RM464,327	RM449,874	▲ 3.2%
2 to 3-Terraced	RM702,011	RM647,766	▲ 8.4%
1- Semi Detached	RM608,925	RM505,155	▲ 20.5%
2 to 3-Semi Detached	RM1.29 mil	RM1.28 mil	▲ 1.0%
Detached	RM1.07 mil	RM1.34 mil	▼ 20.1%
Townhouse	RM312,254	RM278,846	▲ 12.0%
Cluster	RM1.17 mil	RM959,596	▲ 22.0%
Low-Cost House	RM322,585	RM285,301	▲ 13.1%
Low-Cost Flat	RM158,043	RM134,454	▲ 17.5%
Flat	RM187,762	RM183,206	▲ 2.5%
Condominium/ Apartment	RM445,469	RM408,590	▲ 9.0%
Serviced Apartment (excluding SOHO)	RM636,429	RM587,697	▲ 8.3%

Abbreviations: 1 – single storey; 2 to 3 – two to three storey; SOHO – Small Office Home Office; mil – million

Source: National Property Information Centre, CBRE | WTW Research & Consulting

Johor Bahru: Residential

ISKANDAR MALAYSIA (cont'd)

Iskandar Malaysia's housing market is entering a new growth phase, backed by transformative infrastructure and policy initiatives. The Johor–Singapore Rapid Transit System (RTS), slated for completion by 2027, and the recently formalised Johor–Singapore Special Economic Zone (JS-SEZ) are expected to reshape demand patterns across the region. These developments are anticipated to strengthen cross-border labour mobility, reduce commuting friction, and anchor stronger spillover housing demand from Singapore.

While local upgraders and first-time homeowners remain an important base, future demand will increasingly be nudged by foreign buyers. Investor interest, particularly in integrated township projects, is also expected to rise in tandem with policy incentives tied to the SEZ.

Demand for gated and guarded communities with township-scale amenities will remain resilient. High-rise developments, while historically facing oversupply challenges, are positioned for a more gradual resuscitation. Demand will likely consolidate in RTS-linked corridors, where lifestyle, rental yield, and cross-border commuting potential provide value. Developers with strong brand equity and the ability to package lifestyle concepts with cross-border appeal will be best positioned to capture this segment.

Looking ahead, the housing market in Iskandar Malaysia is expected to gradually transition from a speculative-driven cycle into a more fundamentals-led growth trajectory. Premium segments may concentrate around Johor Bahru city centre and around international schools or hubs, while mass-market housing expands in suburban corridors with good road access.

BATU PAHAT

New housing developments in Batu Pahat are increasingly expanding towards the outskirts of the town centre, particularly in Tongkang Pechah and along the stretch of Jalan Tanjong Laboh. This shift is primarily driven by the scarcity of available land within the central areas, a trend that parallels with urban Iskandar Malaysia.

The profile of buyers in Batu Pahat remains largely local, comprising households seeking to upgrade their living standards by moving into new gated and guarded landed schemes. Unlike more mature urban centres, investor participation is comparatively limited. Therefore, affordability remains a key consideration for this target segment. Properties priced above RM550,000 experience slower absorption, reflecting the sensitivity of the market to certain price points.

Consumer preferences in Batu Pahat continue to favour landed residential properties over high-rise developments. Larger built-up areas, coupled with the absence of recurring maintenance fees, make landed homes the preferred choice for most local buyers. In contrast, high-rise developments tend to appeal only to niche segments, particularly foreign white-collar professionals who value on-site facilities. Nonetheless, weak local demand for vertical living has resulted in several high-rise projects being halted midway due to insufficient market support.

Residential Performance in Batu Pahat

	9M 2025	9M 2024	y-o-y
High-Rise Transaction			
Volume (unit)	185	46	▲ 302.2%
Value (RM million)	38.18	5.71	▲ 568.9%
Landed Transaction			
Volume (unit)	1,434	1,805	▼ 20.6%
Value (RM million)	508.26	645.89	▼ 21.3%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, CBRE | WTW Research & Consulting

Johor Bahru: Purpose-Built Office

KEY INDICATORS FOR ISKANDAR MALAYSIA

	9M 2025	9M 2024	y-o-y
Cumulative Supply (million sq. ft.)			
All Grades PBO	6.86	6.86	↔
Prime PBO [1]	3.14	3.14	↔
Occupancy Rate	55.0%	55.0%	↔

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply and occupancy rates cover the districts of Johor Bahru, Kulai, and Pontian.
Note 1: Prime PBO refer to Grade A and Grade Premium A office buildings.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: CBRE | WTW Research & Consulting

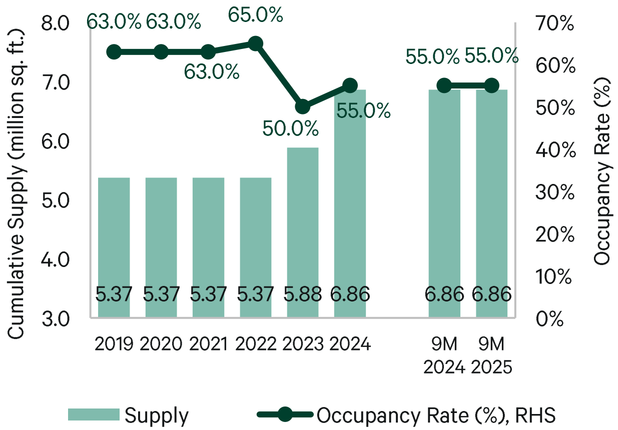
MARKET OVERVIEW

Johor Bahru City, together with the strategically positioned Medini and Puteri Harbour precincts, continues to anchor Iskandar Malaysia's office landscape. Their proximity to the Customs, Immigration and Quarantine (CIQ) complexes and cross-border links to Singapore underpin their appeal to multinational corporations (MNCs) and regional businesses seeking integrated connectivity.

After several years of subdued performance, the office market has entered a phase of stabilisation. As of mid-2025, cumulative prime office stock stood at approximately 6.86 million sq. ft, with occupancy holding steady at around 55%. Following two consecutive years of significant new supply, particularly the 987,000 sq. ft added in 2024, the absence of further major completions in 2025 and 2026 has allowed the market to consolidate.

While supply continues to exceed demand, the slower completion pace and improved leasing interest in modern, transit-linked developments have supported a gradual return to balance. Average gross rents increased from RM4.00 per sq. ft. in 2024 to RM4.50 per sq. ft. in 2025, underscoring the market's underlying resilience and a continuing flight-to-quality trend among tenants.

Cumulative Supply and Overall Occupancy Rate



Abbreviations: sq. ft. – square feet; 9M – January to September; RHS – refer to right-hand-side axis
Source: CBRE | WTW Research & Consulting

QUALITY-LED DEMAND

Occupiers are displaying a clear preference for modern, sustainable and hybrid-ready office spaces. Grade A and Grade Premium A developments such as Menara Bank Rakyat @ Coronation Square and South Tower @ Mid Valley Southkey have performed notably well, achieving CBD and City Fringe rents generally at RM4.50 to RM5.50 per sq. ft.

Suburban markets like Medini and Puteri Harbour remain competitive, offering RM3.00 to RM3.50 per sq. ft. and catering to cost-sensitive occupiers. This two-tier rental landscape illustrates a quality-driven market where accessibility, ESG compliance and digital readiness increasingly influence leasing decisions.

Tenants are also favouring buildings with transit connectivity and integrated lifestyle amenities, aligning with evolving workspace preferences and reinforcing Johor Bahru's positioning as a cross-border service hub.

Average Gross Monthly Rental Rate for Grade A PBO by Location

Location	Average Gross Monthly Rental
JB City Centre	RM4.50 – RM5.50 per sq. ft.
City Fringe	RM4.50 – RM5.50 per sq. ft.
Medini / Puteri Harbour	RM3.00 – RM3.50 per sq. ft.

Note: The gross monthly rent may vary depending on factors such as location, building specifications and grades, size, age, level, and overall condition.
Source: CBRE | WTW Research & Consulting

CO-WORKING MARKET: GROWTH AND MATURITY

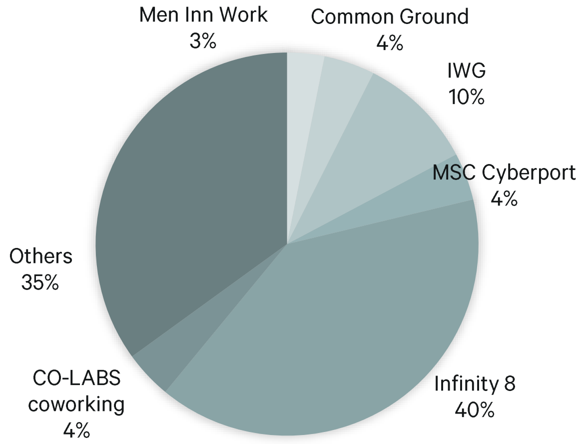
The co-working segment continues to expand as businesses adopt flexible workspace strategies. Johor Bahru currently hosts around 66 co-working centres, projected to exceed 70 by 2026. Leading operators including Infinity8, IWG and Common Ground dominate market share, while new entrants such as Co-labs Coworking are expanding into premium PBOs.

Activity is concentrated in strategic locations such as Mid Valley Southkey, City Square, Medini and Permas Jaya, reflecting demand for accessibility and proximity to Singapore-based clientele. The segment's steady growth underscores a structural shift toward hybrid work models and sustained demand for scalability.

As operators consolidate their presence within prime developments, the co-working market is transitioning from expansion to maturity, supporting overall PBO occupancy levels.

Johor Bahru: Purpose-Built Office

Co-Working's Supply Distribution



Source: CBRE | WTW Research & Consulting

SUPPLY DYNAMICS AND PIPELINE

Iskandar Malaysia's office supply growth has moderated following earlier expansion cycles, with nearly a total of 1.50 million sq. ft of new completions recorded in 2023 and 2024. Since then, no significant new supply has entered the market, and cumulative stock has stabilised at 6.86 million sq. ft through 2026.

The limited pipeline has provided occupiers with time to absorb existing vacancies, and while occupancy remains around 55%, downward pressure has eased. Developers have adopted a more cautious stance, focusing on ESG-aligned and transit-oriented projects for the next development cycle.

Older PBOs are also responding to shifting tenant preferences by upgrading specifications and moderating rents to remain competitive.

Pipeline Development

Development Name	Location	Estimated NLA (sq. ft.)
2027		
Medini 10	Medini	415,000
2029		
Lido Sky 118 @ Lido Waterfront Boulevard	JB City Fringe	1.19 million

Abbreviations: NLA – net lettable area; sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

OUTLOOK: FROM STABILISATION TO SELECTIVE RECOVERY

Short Term (2026)

The market is expected to remain stable, supported by the momentum of cross-border activity under the Johor–Singapore Special Economic Zone (JS-SEZ) and the progress of the Rapid Transit System (RTS) Link. Leasing demand will continue to favour quality, well-located spaces.

Medium Term (2027)

As regional connectivity strengthens and sectors such as technology, professional services, and logistics expand, vacancy pressures should begin to ease modestly. Selective absorption in premium offices and co-working formats will drive incremental improvement.

Long Term (Beyond 2027)

The market's path to relevance will hinge on asset differentiation, ESG certification and hybrid-ready design. A quality-led recovery is anticipated, supported by repositioning of older assets and the gradual integration of flexible workspace concepts within PBOs.

EVOLVING TOWARD RELEVANCE

The Iskandar Malaysia office market is evolving from a period of resilience into one of relevance. Supply growth has paused, allowing the market to stabilise after earlier expansion. While occupancy remains moderate, rental firmness, sustained co-working activity and improving cross-border infrastructure point toward a more balanced, quality-driven recovery ahead.

With developers prioritising sustainability and tenants embracing hybrid work formats, Johor Bahru is steadily repositioning itself as a cost-effective, connected and future-ready office destination within the Malaysia–Singapore growth corridor.

Johor Bahru: Purpose-Built Retail

KEY INDICATORS FOR ISKANDAR MALAYSIA

	9M 2025	9M 2024	y-o-y
Malaysia's Annual Retail Sales Growth	2.7%	3.8%	▼ 1.1 pp
State's Consumer Price Index	138.5	135.9	▲ 2.6 pts
State's Inflation	1.9%	1.7%	▲ 0.2 pp
Cumulative Supply (million sq. ft.)	15.27	15.21	▲ 0.4%
Occupancy Rate	75%	75%	↔

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply and occupancy rates cover the districts of Johor Bahru, Kulai, and Pontian.

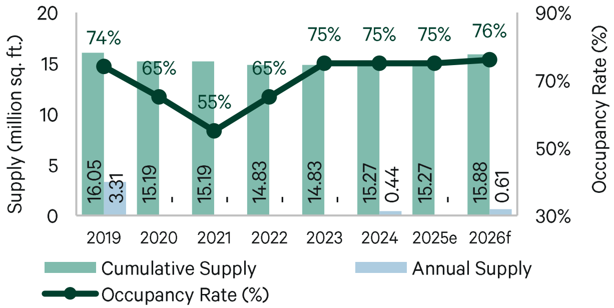
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; sq. ft. – square feet; pp – percentage points; pts - points
Source: Retail Group Malaysia, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

Johor's retail market demonstrated resilience throughout 2025, supported by steady occupancy and measured supply growth, despite broader national moderation in retail sales. While Malaysia's overall retail growth slowed, Johor's market remained fundamentally stable, underpinned by consistent consumer spending.

Leasing activity picked up, contributing to a 73% year-on-year increase in net absorption, driven by demand in selected suburban and regional malls and ongoing space adjustments by existing tenants. Retailers in the F&B, health and wellness, and experiential lifestyle segments accounted for a notable share of overall take-up, reflecting the market's continued strength and adaptability.

The occupancy rate remained stable at 75% despite the active leasing market. This stability is largely due to the addition of Commune and Larkin Junction, which together contributed 444,000 sq. ft. of new supply, offsetting absorption gains.

Cumulative Supply, Annual Supply and Occupancy Rate



Abbreviations: sq. ft. – square feet; e – estimate; f – forecast
Source: National Property Information Centre, CBRE | WTW Research & Consulting

Monthly average gross rents in Johor's retail market remained relatively stable, reflecting a generally balanced demand-supply dynamic.

Prime City Centre malls continued to record the highest rents at RM22 per sq. ft (approx.), supported by tourist activity and their established presence in key commercial zones. Secondary City Centre malls averaged RM15 per sq. ft. (approx.), with occupancy largely maintained by local and commuter traffic, though rental growth was limited due to competitive supply.

In suburban areas, Prime Suburban malls recorded rents of RM13 per sq. ft. (approx.), largely reflecting their position as major retail hubs within residential catchments. Secondary Suburban malls maintained rents at RM11 per sq. ft. (approx.), underpinned by neighbourhood-level demand and cost-sensitive retail offerings.

Average Gross Monthly Rental Rate by Location

Location	Approx. Monthly Average Gross Rent	Market Positioning
Prime City Centre	RM22 per sq. ft.	High-profile, tourist footfall
Secondary City Centre	RM15 per sq. ft.	Mid-market malls serving both locals and commuters
Prime Suburban	RM13 per sq. ft.	Large regional malls, strong catchment
Secondary Suburban	RM11 per sq. ft.	Serve local neighbourhood demand

Abbreviation: sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Johor Bahru: Purpose-Built Retail

SUBURBAN AND COMMUNITY MALLS: STABLE BUT SHIFTING TOWARD LIFESTYLE

The Johor retail landscape continues to demonstrate resilience across mature suburban catchments such as Skudai area and Tebrau area, where established malls including Sutera Mall, Aeon Tebrau City, Toppen and Paradigm mall maintain steady demand. These locations benefit from stable population bases and strong household penetration. Anchored by essential retail, groceries, F&B, and value fashion, these malls benefit from consistent visitation, with F&B and entertainment acting as key demand drivers. For example, Aeon Tebrau City brings in many well-known F&B brands, such as Yakiniku Tora, Hua Mui Restaurant, Khunya Thai Kitchen, Verona Hills Bakery and FeiFan Hotpot. Sutera Mall attracts not only local residents but also travellers seeking leisure and entertainment options.

The community and neighbourhood mall segment is gaining relevance as consumer preferences shift toward convenience, entertainment, and lifestyle offerings. Aeon Bukit Indah, for example, combines everyday retail with entertainment elements to sustain steady traffic. Similarly, Sunway BigBox Mall, which initially experienced slower traffic growth, is showing gradual improvement after diversifying its tenant mix with additions such as Lion Mas, Singcube Karaoke, Abbashi Wellness, and Switch. Looking ahead, the upcoming Horizon Mall, designed with open and green concepts, illustrates the growing appeal of lifestyle-driven formats. Its confirmed tenant mix further highlights this positioning, with Village Grocer, Jungle Gym family entertainment centre, Caring Pharmacy, Angel Theme Park, IT and gadget stores, a 24-hour Believe Fitness centre, and more than 30 food and beverage outlets catering to everyday living needs.

CONNECTIVITY AS A RETAIL DRIVER

Accessibility and transport links are critical in sustaining mall performance. In Johor Bahru, several major projects are set to reshape mobility patterns and strengthen retail catchments.

The RTS Link, which will directly connect Bukit Chagar in Johor Bahru city centre to Singapore's Woodlands North, is expected to be a transformative catalyst. Beyond providing seamless cross-border travel, the connection to Woodlands North will integrate Johor Bahru malls into a wider ecosystem of commercial and lifestyle activities, as the area is undergoing mixed-use development that includes offices, retail, residential, and community spaces. This will further stimulate cross-border visitation and create new synergies for city-centre malls with direct transit access.

Complementing the RTS, the planned e-ART system will establish dedicated transit corridors across Tebrau, Skudai, and Iskandar Puteri, linking suburban populations to key retail nodes and improving last-mile connectivity. At the same time, upgrades to Johor Bahru's bus network, including route rationalisation and new services, are gradually improving accessibility for local shoppers, particularly those in residential and secondary areas. Together, these transport initiatives will broaden mall catchment areas, drive stronger visitor flows, and underpin the long-term performance of retail centres strategically located along these enhanced transit corridors.

RISING SUPPLY AND REPOSITIONING

On the development front, upcoming malls are largely concentrated in city centre and city fringe locations. In central Johor Bahru, SKS City Mall and Gem @ Coronation Square are positioned to capture urban catchments, while Sunway's planned Bukit Chagar project will feature a retail podium directly linked to the Johor–Singapore RTS Link, enhancing its accessibility to cross-border traffic. Meanwhile, IGB REIT's acquisition of Mid Valley Southkey Mall (RM2.65 billion) and IGB Bhd's adjacent land deal signal confidence in the Johor retail market, with long-term plans to establish a destination comparable to Kuala Lumpur's Mid Valley City. At the same time, the market is witnessing revitalisation of underperforming malls. Pacific Mall, for example, has been successfully repositioned with a hotel component to enhance viability, while Plaza Sentosa, a low-footfall centre, is set to be redeveloped into a mixed-use project with residential towers and retail at the podium. These transformations highlight how mall owners are adapting to evolving market realities by repositioning retail

OUTLOOK: A DIVERGING MARKET LANDSCAPE

Johor's retail market is shaping into a two-tier structure. On one hand, suburban and community malls remain resilient, supported by defensive tenant mixes, entertainment elements, and improved accessibility. On the other, city-centre and fringe projects are increasingly defined by institutional investment, large-scale mixed developments, and enhanced connectivity to Singapore, which are factors likely to drive growth in the medium term.

Johor Bahru: Industrial

KEY INDICATORS FOR ISKANDAR MALAYSIA

	9M 2025	9M 2024	y-o-y
Cumulative Supply Factories (unit)			
Overall	15,407	15,230	▲ 1.2%
Detached	2,965	2,928	▲ 1.3%
Semi-Detached	4,294	4,242	▲ 1.2%
Terraced	6,503	6,406	▲ 1.5%
Cluster	1,374	1,380	▼ 0.4%
Others [1]	271	274	▼ 1.1%
Transaction Performance			
Volume (unit)	980	922	▲ 6.3%
Value (RM billion)	5.925	4.496	▲ 31.8%
Overhang Supply Factories (unit)			
Overall	62	88	▼ 29.5%
Detached	-	-	↔
Semi-Detached	-	-	↔
Terraced	34	40	▼ 15.0%
Cluster	28	48	▼ 41.7%
Others [1]	-	-	↔
State's Total Approved Investment (RM million)	91,076.0	18,100.7	▲ 403.2%
State's Approved Manufacturing Investment (RM million)	18,648.7	8,011.9	▲ 132.8%

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The population, supply, transaction volume and value, as well as overhang data, encompass the districts of Johor Bahru, Kulai, and Pontian.

Note 1: Other factories including flatted factories, industrial complexes.

Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points

Source: Malaysian Investment Development Authority, National Property Information Centre, Department of Statistics Malaysia, CBRE | WTW Research & Consulting

INDUSTRIAL MARKET OVERVIEW

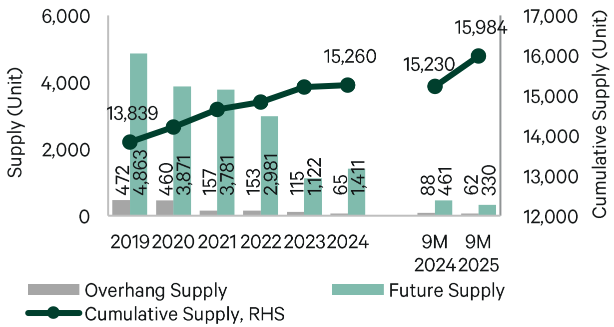
During 9M 2025, the industrial property market in Johor recorded strong performance underpinned by a notable surge in total approved investments and continued expansion in the manufacturing sector.

Total approved investments in the state surged to RM91.08 billion, up from RM18.10 billion a year earlier, driven by large-scale industrial and manufacturing projects, including FDI in high-value sectors such as electrical and electronics (E&E), renewable energy, and logistics. The manufacturing sector contributed RM18.65 billion, a 132.8% year-on-year increase, underscoring investor confidence in Johor's industrial ecosystem supported by strong connectivity, established industrial parks, and pro-investment initiatives.

On the supply front, the industrial market remained stable, with modest additions in overall stock. Transaction activity continued to improve in tandem with regional supply chain relocations and the ongoing expansion of warehousing and logistics facilities near key hubs such as Iskandar Malaysia, Senai Airport City and Pasir Gudang.

Overhang in Iskandar Malaysia remained minimal, limited to the terraced and cluster factory segments, suggesting that overall industrial activity and investor confidence remained strong.

Existing Supply, Future Supply and Overhang Supply



Abbreviations: 9M – January to September; RHS – refer to right-hand-side axis

Source: National Property Information Centre, CBRE | WTW Research & Consulting

The future industrial supply pipeline in Iskandar Malaysia points to a moderate and selective pace of development. Near-term additions are largely concentrated in semi-detached, cluster and detached factories, reflecting market-driven development aligned with demand from high-value sectors such as logistics, advanced manufacturing, E&E, and smaller-scale industrial operators.

INDUSTRIAL RENTAL

Rental rates for industrial properties in Johor remained broadly stable across both Free Zone and Non-Free Zone areas, reflecting sustained demand.

Free Zone locations such as Iskandar Puteri–Tanjung Pelepas generally command higher rents due to strategic port connectivity and appeal to export-oriented industries, while other Free Zone areas show more moderate rates.

Non-Free Zone locations attracted domestic-focused manufacturers and SMEs seeking more cost-efficient premises.

Overall, rental values across the state remained steady, supported by accessibility, established industrial parks, and ongoing demand from both local and foreign investors.

Average Gross Monthly Rental Rate by Location

Criteria	Location	Monthly Average Gross Rent
Free Zone	Iskandar Puteri - Tanjung Pelepas	RM1.80 – RM3.00 per sq. ft.
	Kulai - Senai	RM1.90 – RM2.50 per sq. ft.
	Pasir Gudang – Tanjung Langsat	RM1.50 – RM2.60 per sq. ft.
Non-Free Zone	Iskandar Puteri - Tanjung Pelepas	RM1.73 – RM2.80 per sq. ft.
	Kulai - Senai	RM1.40 – RM2.50 per sq. ft.

Abbreviation: sq. ft. – square feet
Source: CBRE | WTW Research & Consulting

Johor Bahru: Industrial

DATA CENTRE EXPANSION AS A GROWTH SEGMENT

Johor continues to strengthen its position as a regional data centre hub, supported by proximity to Singapore, strong cross-border connectivity, and ample industrial land. Major global operators such as Microsoft, Yondr, AirTrunk, STT GDC, and STACK Infrastructure continue to anchor large-scale investments, with Johor projected to reach 1GW of total capacity by end-2026.

Developers and institutional investors are increasingly diversifying into digital infrastructure, with firms such as Sime Darby Property and Sunway Construction participating in new data centre projects. Financing and construction activities in this segment signal growing confidence in Johor's digital economy outlook. However, the surge in development is heightening demand for power, water, and prime industrial land, creating short-term capacity pressures even as long-term demand fundamentals remain positive.

LOGISTICS AND WAREHOUSING FACE RISING LAND COMPETITION

Johor's growing data centre sector is contributing to increased competition for industrial land, particularly in locations with high power capacity and strong accessibility. As of mid-2025, 42 data centre projects with total investments of RM164.45 billion account for 78.6% of Malaysia's operational IT capacity. The rising demand has made it more challenging for developers and logistics operators to secure well-located plots for warehousing and distribution hubs, while utilities are increasingly prioritised for data-driven developments.

Consequently, interest may gradually shift toward secondary zones in Johor where land remains more accessible. However, factors such as infrastructure readiness and connectivity continue to influence site selection. Rising construction and compliance costs, coupled with higher financing rates, are also prompting developers to adopt a more selective and phased approach to new industrial launches.

Meanwhile, recent commitments within the logistics segment, including major leasing activities at Equalbase's 103° Free Commercial Zone in Iskandar Puteri new facility developments by ISP Group, further reflect sustained demand for modern, ESG-compliant facilities catering to regional and cross-border distribution needs.

TRANSITION TOWARDS RENEWABLE AND LOW-CARBON INDUSTRIAL GROWTH

Johor's industrial landscape is gradually embracing renewable and low carbon initiatives in line with Malaysia's green investment goals. New entrants including German tech manufacturer Sick and solar PV producers are investing in sustainable production facilities and renewable energy adoption.

Meanwhile, partnerships such as Jcorp's collaboration with Sumitomo and the issuance of green sukuk by Visionary Heritage reflect growing financing support for eco-friendly industrial projects. Industrial parks are also beginning to integrate solar-ready infrastructure and energy-efficient systems, enhancing their long-term competitiveness and appeal to multinational tenants seeking ESG-compliant operations.

EMERGING INDUSTRIAL TOWNSHIPS AND DEVELOPER EXPANSION

The introduction of large-scale industrial townships, such as MB World's heavy industrial project in the Forest City Special Financial Zone, marks a new phase of integrated industrial growth. These developments aim to serve advanced manufacturing, logistics, and technology sectors through improved infrastructure and policy support.

At the same time, financial institutions are strengthening support for large-scale projects, as illustrated by Maybank Islamic's facility for MBW Innexus Industrial City within the Johor–Singapore SEZ. This growing alignment between developers, financiers, and policymakers reinforces confidence in Johor's long-term industrial ecosystem.

OUTLOOK: STEADY EXPANSION AND EVOLVING DYNAMICS

Looking ahead to 2026 and beyond, Johor's industrial property market is expected to expand steadily, supported by foreign investment and manufacturing diversification. Market growth will likely become more measured as developers adapt to infrastructure limitations, higher costs, and increased competition.

Future supply is expected to focus on grid enhancement, renewable integration, and strategic land use to accommodate data centre and high-value manufacturing demand. While short-term cost and infrastructure challenges persist, Johor's strategic position within the Johor–Singapore SEZ, combined with ongoing connectivity upgrades, will continue to attract sustainable and long-term investment through 2027.

Johor Bahru: Hotel

KEY INDICATORS FOR ISKANDAR MALAYSIA

	9M 2025	9M 2024	y-o-y
State's Hotel Guest (million people)			
Overall	7.87	7.66	▲ 2.8%
International	2.34	2.25	▲ 4.1%
Domestic	5.53	5.41	▲ 2.2%
Cumulative Supply (No. of Rooms)			
Overall	17,469	17,120	▲ 2.0%
3-Star Hotel	7,513	7,007	▲ 7.2%
4-Star Hotel	7,426	7,607	▼ 2.4%
5-Star Hotel	2,530	2,506	▲ 1.0%
Average Daily Room Rate	RM360	RM355	▲ 1.3%
Average Occupancy Rate	66.9%	65.8%	▲ 1.7%

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply, average daily room rate, and occupancy rates cover the districts of Johor Bahru, Kulai, and Pontian.

Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points

Source: Smith Travel Research (STR), Ministry of Tourism Malaysia, CBRE | WTW Research & Consulting

STEADY GROWTH IN TOURISM SECTOR

The Visit Johor Year 2026 (VJY 2026) campaign is progressing steadily, with the state targeting approximately 12 million tourist arrivals and RM42.48 billion in tourism-related revenue. In preparation for the campaign, about RM116.35 million has been allocated to upgrade public facilities and tourism infrastructure, alongside major efforts to enhance cultural heritage, connectivity, and service quality across the state. Additionally, the maintenance works such as deep-cleaning more than 30 tourist sites have been carried out to improve the overall visitor experience.

As of the 1H 2025, Johor recorded 18.48 million visitors, reflecting an increase of about 16.3% compared to the same period in 2024. Singapore remained the main source of arrivals with 14.48 million visitors, followed by Indonesia (1,134,738) and China (980,827), while other growing markets included India, South Korea, and European countries. The strong performance in 2025 demonstrates Johor's steady tourism recovery and the positive momentum leading into the Visit Johor Year 2026 campaign.

Upcoming Hotel Development

Location	Hotel	Star Rating	No. of Room	Expected Completion Year
Bandar Baru Permas Jaya	GreenTree Hotel	TBC	206	2026
Johor Bahru City Centre	Oakwood Hotel	5	200	2026
Medini	TUI Blue Medini Johor	TBC	214	2026
Johor Bahru City Centre	Ascott Coronation Square Johor Bahru	5	207	2029
One Bukit Senyum	TBC	5	250	2030

Abbreviation: TBC – to be confirmed
Source: CBRE | WTW Research & Consulting

STABLE PERFORMANCE IN HOTEL MARKET

Iskandar Malaysia's hotel market continued to show steady growth in 1H 2025, with the number of hotel guests rising by approximately 4.3% to 5,098,474, compared to 4,889,252 in the same period of 2024. In line with this, the Average Occupancy Rate (AOR) improved slightly from 65.8% to 66.9%, while the Average Daily Room Rate (ADR) rose from RM355 to RM360. These positive indicators reflect sustained demand and stronger revenue performance across the state's hospitality sector.

ISKANDAR MALAYSIA HOSPITALITY OVERVIEW

In 2025, several new hotels were completed, boosting Iskandar Malaysia's hospitality sector. The Sheraton Johor Bahru, with 345 rooms, was officially opened in October 2025, while OZO Medini is set for a soft launch in the same month. The Novotel Johor Bahru, part of the Space Residency development, is expected to begin operations by 4Q 2025.

Looking ahead, more hotels are in the pipeline. The GreenTree Hotel in Permas Jaya and TUI Blue Medini Johor are scheduled to open in 2026, while Ascott Coronation Square Johor Bahru, a five-star hotel within the Ibrahim International Business District (IIBD), is planned for opening in 4Q 2029. Phase 3B of One Bukit Senyum will also feature a five-star hotel with 250 rooms, targeted for completion around 2030, further enhancing Iskandar Malaysia's hospitality profile.

The market is also undergoing changes through closures and rebranding. The Thistle Johor Bahru closed in September 2025 and was sold to YTL Hotels for RM150 million. The Puteri Pacific Hotel, previously under Johor Corporation (JCorp), has been sold, while the former AmanSari Residence Resort in Bandar Seri Alam is being redeveloped into the Four Points by Sheraton Johor Bahru, set to open in early 2026.

Johor Bahru: Hotel

POSITIVE MOMENTUM FROM VISIT JOHOR YEAR 2026

The VJY 2026 campaign is expected to support continued tourism growth across Iskandar Malaysia. With ongoing promotional activities, improved road networks, and upgrades to public facilities and tourist attractions, the state's overall accessibility and visitor experience are gradually improving. These developments are aimed at strengthening Johor's position as an attractive destination for both domestic and international travellers.

Tourism activity is projected to stay strong, supported by steady arrivals from Singapore and rising interest from regional markets such as China, India, and South Korea. These factors are expected to sustain positive momentum in Johor's tourism and hospitality market over the near term.

STRENGTHENED CONNECTIVITY AND MARKET PERFORMANCE

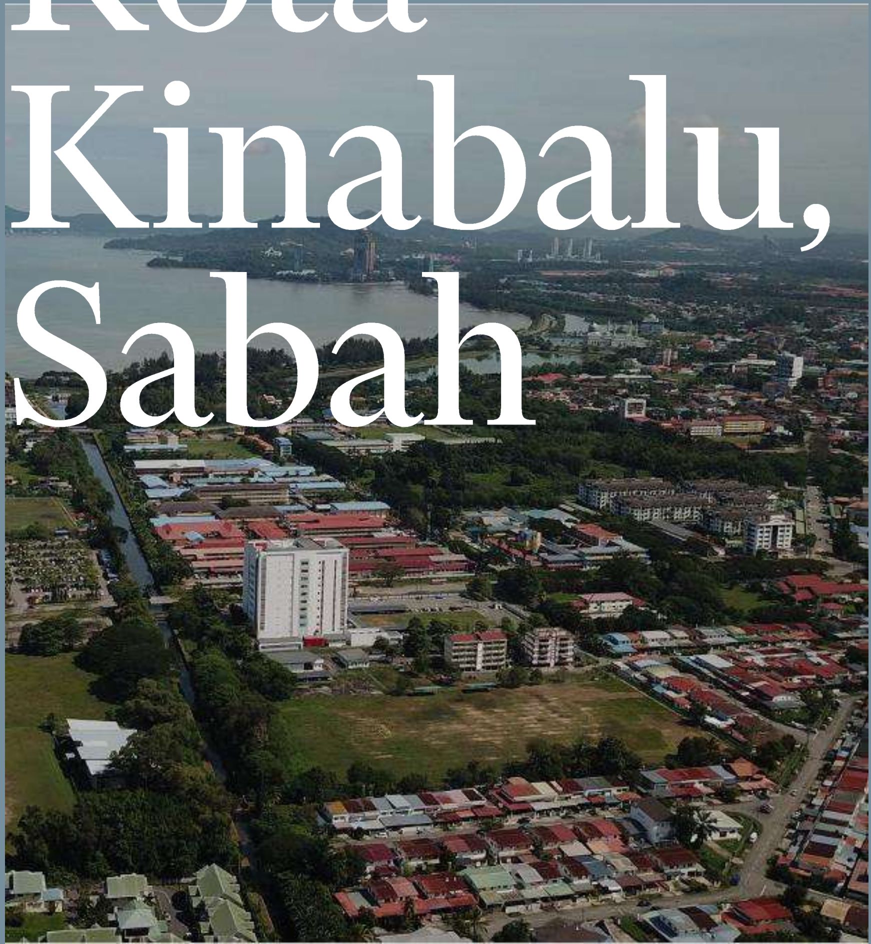
Ongoing infrastructure improvements and tourism upgrades are expected to continue supporting the growth of Iskandar Malaysia's hospitality sector in 2026. The upcoming Johor Bahru–Singapore Rapid Transit System (RTS) Link, along with better road connectivity and enhancements to key tourist sites, will further improve accessibility and travel convenience for visitors, particularly from Singapore, which remains Johor's main tourism market. Building on the steady performance recorded in 2025, hotel demand is anticipated to stay stable, supported by both leisure and business travellers in Johor Bahru and Medini. The opening of new hotels will expand accommodation choices and further strengthen the region's hospitality profile. However, the increase in hotel supply may also result in stronger competition among operators, especially within the midscale market segment.

RISING COSTS AND IMPACT ON ROOM RATES

In 2026, hotels in Iskandar Malaysia are expected to face higher operating costs due to inflation, increased utility charges, and the rise in minimum wages. These factors will likely put pressure on hotel operating margins, especially in areas such as staffing and maintenance. To manage the higher costs, some hotels may adjust their room rates, leading to a moderate increase in the Average Daily Rate (ADR). However, price growth is expected to remain measured, as hotels aim to stay competitive and maintain stable occupancy levels.

Sheraton Johor Bahru
Source: Sheraton Johor Bahru's official website

Kota Kinabalu, Sabah



Sabah is anticipating an improvement in infrastructure developments in 2026 and beyond, which in turn will act as a catalyst for the property sector.

Sr Cornelius Koh
Managing Director
C H Williams Talhar & Wong (Sabah) Sdn Bhd

Kota Kinabalu: Residential

KEY INDICATORS

	2025	2024	y-o-y
Population ('000)	790.2	785.2	▲ 0.6%
	9M 2025	**9M 2024**	**y-o-y**
Cumulative Supply (unit)			
Overall	117,108	111,257	▲ 5.3%
High-Rise	73,561	68,235	▲ 7.8%
Landed	43,547	43,022	▲ 1.2%
High-Rise Transaction			
Volume (unit)	1,034	930	▲ 11.2%
Value (RM billion)	0.39	0.34	▲ 15.3%
Landed Transaction			
Volume (unit)	1,167	1,046	▲ 11.6%
Value (RM billion)	0.70	0.65	▲ 7.5%
Overhang (unit)			
Overall	1,398	879	▲ 59.0%
High-Rise	1,342	823	▲ 63.1%
Landed	56	56	↔
Malaysia Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Malaysia Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The population, supply, transaction volume and value, as well as overhang data, encompass the districts of Kota Kinabalu, Penampang, and Putatan.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Bank Negara Malaysia, Department of Statistics Malaysia, National Property Information Centre, WTWS Research & Consulting

ACTIVE SECONDARY MARKET

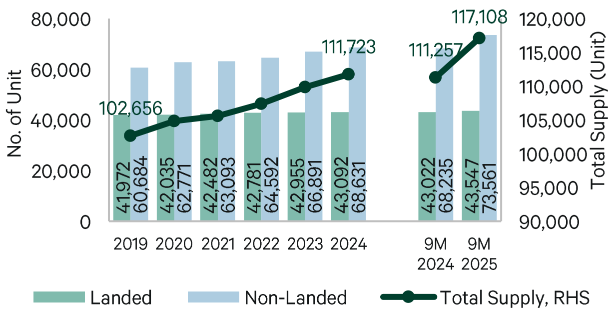
For 9M 2025, secondary transactions in the residential sector encompassing landed and non-landed, for Kota Kinabalu - Penampang - Putatan increased in terms of volume and value, compared to the same period in 2024.

In the condominium sector, units priced RM400,000 to RM599,000 made up the bulk of transaction volume at 40% of the total; units priced RM600,000 to RM799,000 were 21%; units priced RM800,000 to RM999,000 were 11% and units priced above RM1 million is of 13%.

The current overhang mainly comes from stratified residences, namely apartments and condominiums.

There were more launches of landed residences compared to 2024, consisting mainly of 2-storey terraced houses located at Jalan UMS, Sepangar and Penampang. There are also small-scale housing projects in vacant land pockets within residential suburbs.

Residential Supply in Kota Kinabalu, Penampang and Putatan



Note: Residential supply includes serviced apartments and Small Office Home Office (SOHO) units and excludes affordable housing.
Abbreviation: RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWS Research & Consulting

Condominium launches were fewer compared to 2024, though there were several high-rise apartment launches. Condominium completions include Coral Bay @ Sutera, a 460-unit luxury condominium and 254-unit Skymillion Residence in Penampang.

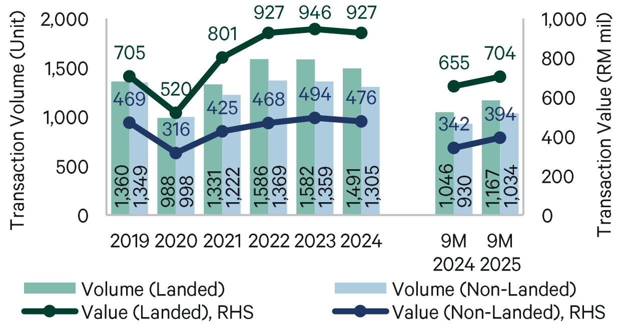
Coral Bay @ Sutera
Source: WTWS Research & Consulting

For the landed residential segment, completions include Meridian Place, Parklane 2 (Phases 4A, 4B & 2A), Vila Gaya, Vila Pulutan (Phases 2 & 3) and Taman Bukit Hijau (Phase 1) totaling 227 units.

STABLE OUTLOOK

The outlook for landed residential is stable with steady prices. Price disparity between new launches and existing developments are expected to increase due to higher land and building costs. The high-rise residential offers ample supply, with homeowners spoilt for choice.

Residential Transactions in Kota Kinabalu, Penampang and Putatan



Note: Residential transactions include serviced apartments and Small Office Home Office (SOHO) units and excludes affordable housing.
Abbreviations: mil – million; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWS Research & Consulting

Kota Kinabalu: Purpose-Built Office & Purpose-Built Retail

KEY INDICATORS FOR PURPOSE-BUILT OFFICE

	9M 2025	9M 2024	y-o-y
Cumulative Supply (million sq. ft.)			
Overall	7.83	7.95	▼ 1.5%
Private Building	5.27	5.39	▼ 2.1%
Government Building	2.56	2.56	↔
Occupancy Rate [1]	84.0%	87.7%	▼ 3.8 pp

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply and occupancy rate encompass the districts of Kota Kinabalu and Penampang.
Note 1: For privately-owned office building.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: National Property Information Centre, WTWS Research & Consulting

KEY INDICATORS FOR PURPOSE-BUILT RETAIL

	9M 2025	9M 2024	y-o-y
Malaysia's Annual Retail Sales Growth	2.7%	3.8%	▼ 1.1 pp
State's Consumer Price Index	123.5	122.2	▲ 1.3 pts
State's Inflation	1.1%	1.3%	▼ 0.2 pp
Cumulative Supply [1] **(million sq. ft.)**	6.46	7.01	▼ 7.9 pp
Occupancy Rate	77.2%	79.5%	▼ 2.3 pp

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply and occupancy rate encompass the districts of Kota Kinabalu, Penampang, and Putatan.
Note 1: Inclusive of shopping centre, arcade and hypermarket.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; pts - points
Source: Retail Group Malaysia, National Property Information Centre, Department of Statistics Malaysia, WTWS Research & Consulting

MODEST PURPOSE-BUILT OFFICE (PBO)

Aside from PBO, the supply of office space comes from upper floors of conventional walk-up shop offices and modern signature offices with lifts. The latter also caters to sectors F&B, health and beauty services, budget or boutique hotel accommodations and other specialty uses.

Incoming new PBO supply includes Menara Desa, a 5-storey corporate office of Desa Group in Kolombong, and an office tower being a part of the mixed commercial development known as EG Mall in Penampang.

Recently launched The V mixed commercial development in Tanjung Lipat, Likas by Jesselton Waterfront Sdn Bhd (subsidiary of Jesselton International) will also contain a 31-storey corporate office tower, of which landowner cum joint venture partner Yayasan Sabah is taking up about half of the office space.

Notwithstanding the new supply in the pipeline, the PBO sector in Kota Kinabalu and throughout Sabah remains limited, a large proportion of which is occupied by the public sector and its agencies. Large successful Sabah corporations also have their offices in Kuala Lumpur to project their image but occupy shop offices or signature offices in Kota Kinabalu which are more convenient and practical.

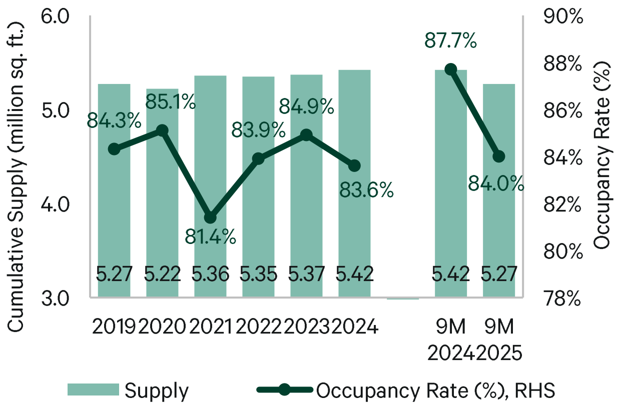
While Johor Bahru and Penang have successfully carved their market positions for PBO tenants, Kota Kinabalu is still in the early stages of this process.

SUSTAINED PERFORMANCE FOR WELL-MANAGED RETAIL MALLS

Established and well-managed retail malls enjoy sustained footfall, improved occupancy and rents. Imago Mall reopened its expanded retail space on the basement.

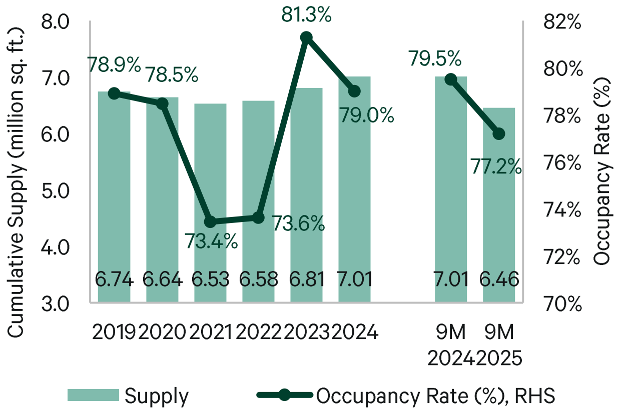
Under construction retail malls include The Logg in Luyang, EG Mall in Penampang and 88 Avenue in Kepayan. The V mixed commercial development on a 10 acres site in Tanjung Lipat also unveiled a future retail space street mall podium with an al-fresco concept.

PBO: Cumulative Supply and Occupancy Rate for Privately-Owned PBO (Kota Kinabalu & Penampang)



Abbreviations: sq. ft. – square feet; 9M – January to September; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWS Research & Consulting

PBR: Cumulative Supply and Occupancy Rate for Shopping Complexes (Kota Kinabalu, Penampang & Putatan)



Abbreviations: sq. ft. – square feet; 9M – January to September; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWS Research & Consulting

Kota Kinabalu: Industrial

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply Factories (unit)			
Overall	2,875	2,831	▲ 1.6%
Detached	418	418	↔
Semi-Detached	754	710	▲ 6.2%
Terraced	1,493	1,493	↔
Cluster	26	26	↔
Others [1]	184	184	↔
Transaction Performance			
Volume (unit)	171	130	▲ 31.5%
Value (RM million)	0.34	0.37	▼ 8.7%
Overhang Supply Factories (unit)			
Overall	56	33	▲ 69.7%
Detached	1	-	↔
Semi-Detached	48	23	▲ 108.7%
Terraced	7	10	▼ 30.0%
Cluster	-	-	↔
Others [1]	-	-	↔
State's Total Approved Investment (RM million)	11,906.50	3,856.10	▲ 208.8%
State's Approved Manufacturing Investment (RM million)	7,544.30	2,447.30	▲ 208.3%

Disclaimers:
i. Figures may show slight differences due to rounding.
ii. The supply, transaction volume and value, as well as overhang data, encompass the districts of Kota Kinabalu, Penampang, and Putatan.
Note 1: Other factories including flatted factories, industrial complexes.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Malaysian Investment Development Authority, National Property Information Centre, Department of Statistics Malaysia, WTWS Research & Consulting

INDUSTRIAL PERFORMANCE

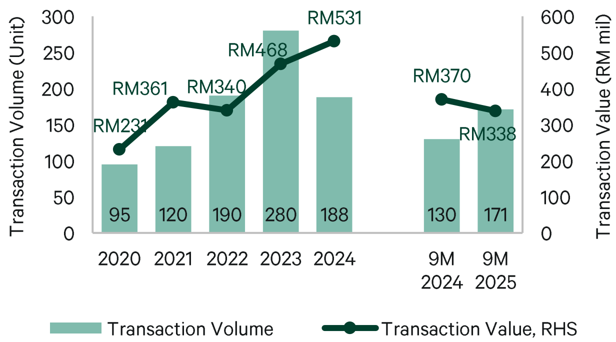
The industrial property market remained active with 171 transactions worth RM337.54 million for the 9M 2025, reflecting an increase of 31.5% year-on-year, and although transaction value decreased by 8.7% (9M 2024: 130 transactions, RM369.85 million). The reduced total transaction value is due to lower transactions of detached light industrial properties, which made up the bulk of the transacted value in 2024.

Sabah-based, and Bursa main-market listed fast-moving consumer goods distributor Kim Teck Cheong Consolidated Berhad has acquired a 15.15 acres land within Kota Kinabalu Industrial Park to develop a regional distribution and warehouse centre.

Ongoing industrial developments include The Gallery Industrial Estate in Inanam and the Armani Business Park in Sepangar, the latter which is in an advanced stage of completion.

Overall, industrial properties with good infrastructure would remain in demand given limited new supply.

Industrial Transactions in Kota Kinabalu, Penampang and Putatan



Abbreviations: mil – million; 9M – January to September; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWS Research & Consulting

Kota Kinabalu: Hotel

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
State's Hotel Guest (million people)			
Overall	5.53	5.39	▲ 2.7%
International	2.41	2.46	▼ 2.1%
Domestic	3.13	2.93	▲ 6.7%
Kota Kinabalu's Cumulative Supply (No. of Rooms)			
Overall	15,163	14,740	▲ 2.9%
3-Star Hotel	3,405	3,242	▲ 5.0%
4-Star Hotel	3,048	3,048	↔
5-Star Hotel [1]	4,458	4,458	↔
Commercial Suites	4,252	3,992	▲ 6.5%
State's Average Occupancy Rate			
3-Star Hotel	60.6%	54.9%	▲ 5.7 pp
4-Star Hotel	61.5%	69.9%	▼ 8.4 pp
5-Star Hotel	70.8%	67.1%	▲ 3.7 pp

Disclaimers: Figures may show slight differences due to rounding.
Note 1: Includes international 5-star resort hotel in Tuaran.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Sabah Tourism Board, Ministry of Tourism Malaysia, WTWS Research & Consulting

ACTIVE TOURISM SECTOR

Sabah's visitor arrivals increased by 17% year-on-year, about 2.82 million between January and September 2025 (9M 2024: 2.42 million people).

For the 9M 2025, some 41% of total arrivals consisted of international arrivals, led by China (534,975), Brunei (152,136) and South Korea (136,919). Total visitor arrivals are anticipated to exceed the 3.5 million target for 2025. For Visit Malaysia Year 2026, 3.7 million visitors to Sabah are targeted with projected RM9.1 billion in tourism receipts.

As at mid-October 2025, there were 126 weekly direct international flights to Sabah from 14 regional cities and 472 domestic flights.

Overall hotel occupancy for Sabah during the 9M 2025 stood at 60%, with 4- and 5-star hotels at 61.5% and 70.8%, respectively. In Kota Kinabalu, city centre and resort-type hotels are generally faring well. The 3-star, 10-storey Majulan Hotel being part of ITCC Penampang comprising 163 rooms commenced operations.

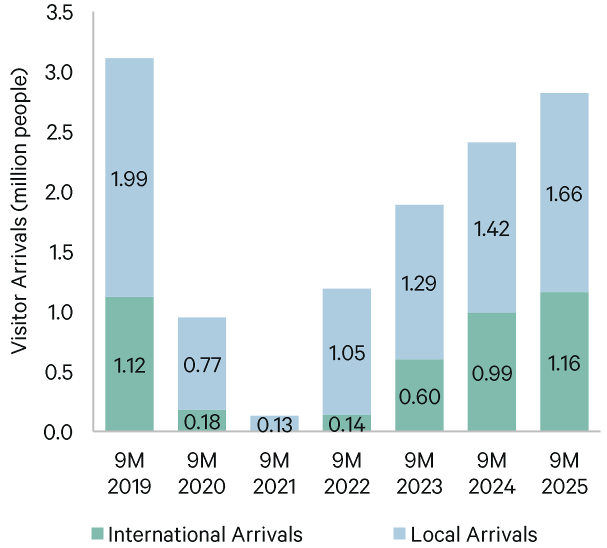
Currently, there are over 3,000 hotel rooms of 3- to 5-star quality in development in Kota Kinabalu and the West Coast of Sabah. Expected completions in 2026 include Club Med Borneo, Fairfield by Marriott, Avani Hotel and Sheraton.

In November 2025, a RM130 million waterfront development project to be located near the Sabah International Convention Centre (SICC) comprising the region's first ever "Ship Hotel" was launched. The hotel will feature 216 rooms with world-class facilities.

In Kota Kinabalu, the vibrant tourism sector continues to attract the development of short-term rental accommodation via commercial suites with close to 10,000 units ongoing or commenced from 15 developments. These include The Bedrock (1,080 units) and The Peninsula's Agate and Aris Towers (919 units) in the city centre, and The V (1,754 units) in Likas Bay. Near to Kota Kinabalu International Airport is Allongé @ KKIA (541 units) and EG Suites @ The EG in Penampang (351 units).

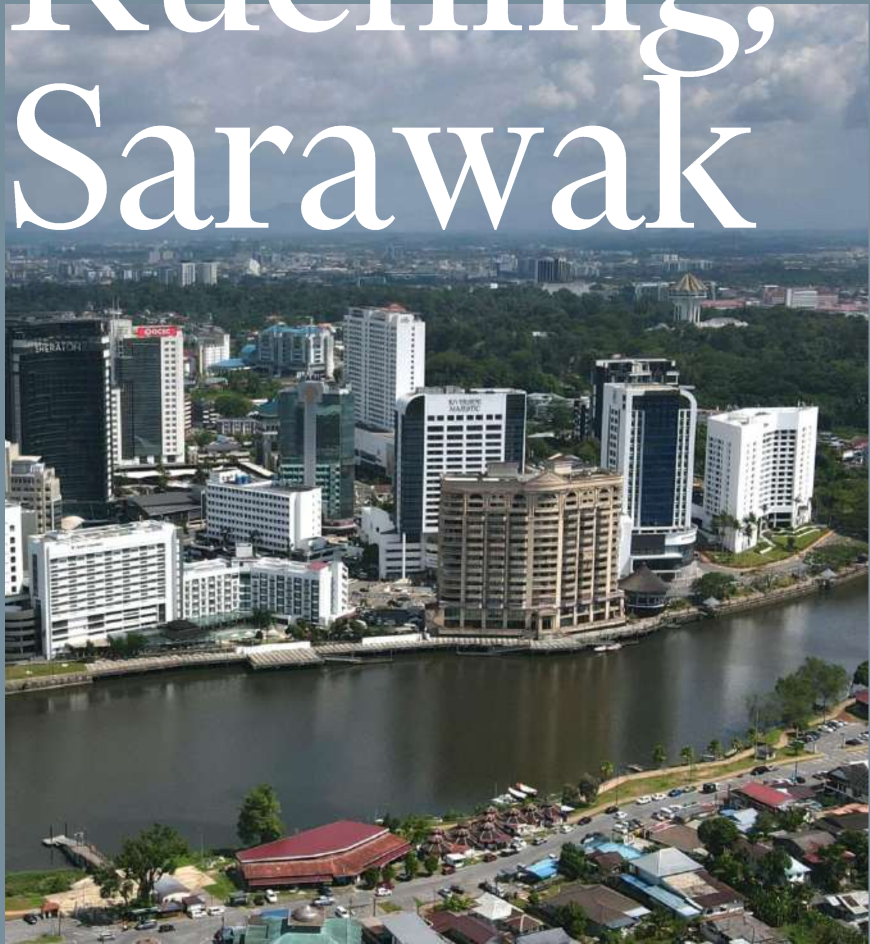
To boost Sabah's tourism activities, the Meetings, Incentives, Conferences, And Exhibitions (MICE) segment and community-based tourism or rural tourism products have been identified for development.

Visitor Arrivals to Sabah



Abbreviation: 9M – January to September
Source: Sabah Tourism Board, WTWS Research & Consulting

Kuching, Sarawak



From resilience to relevance, Sarawak is charting a course for structured and sustainable property growth for 2026 and beyond.

Sr Robert Ting Kang Sung
Managing Director
C H Williams Talhar & Yeo Sdn Bhd

Kuching: Residential

KEY INDICATOR

	2025	2024	y-o-y
Kuching's Population ('000)	627.2	625.0	▲ 0.3%
	9M 2025	**9M 2024**	**y-o-y**
Cumulative Supply (units)			
Overall	127,439	125,034	▲ 1.9%
High-Rise	36,975	35,371	▲ 4.5%
Landed	90,464	89,663	▲ 0.9%
High-Rise Transaction			
Volume (unit)	612	647	▼ 5.4%
Value (RM billion)	0.22	0.24	▼ 7.0%
Landed Transaction			
Volume (unit)	2,277	2,427	▼ 6.2%
Value (RM billion)	0.95	0.98	▼ 3.1%
Overhang (units)			
Overall	675	828	▼ 18.5%
High-Rise	409	517	▼ 20.9%
Landed	266	311	▼ 14.5%
Malaysia Residential Loan Amount Applied (RM billion)	354.26	346.84	▲ 2.1%
Malaysia Residential Loan Approval Rate (%)	40.97	42.18	▼ 1.2 pp

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Bank Negara Malaysia, Department of Statistics Malaysia, National Property Information Centre, WTWY Research

OVERVIEW AND REVIEW: RESILIENCE AMIDST MODERATE GROWTH

In 2025, the residential property market in Kuching continued to show resilience and steady growth, driven by key infrastructure projects, sustained demand for mid-range housing, and targeted government initiatives.

After the post-covid recovery growth of the past 2 years, 2025 saw market corrections and moderation. However, the Kuching landed residential sector remains robust with a positive outlook, as new launches of landed housing continue to be more in demand than non-landed high-rise.

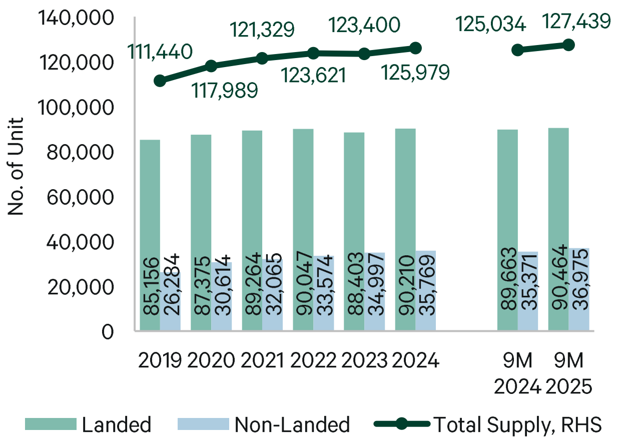
The first 3 quarters of 2025 saw a respective 6.0% and 3.9% contraction in total volume and value of residential property transactions year-on-year with the high-rise residential sector decreasing at a higher rate in value whilst landed residential, in volume.

Residential properties remain the main driver of overall property market activity.

Supply

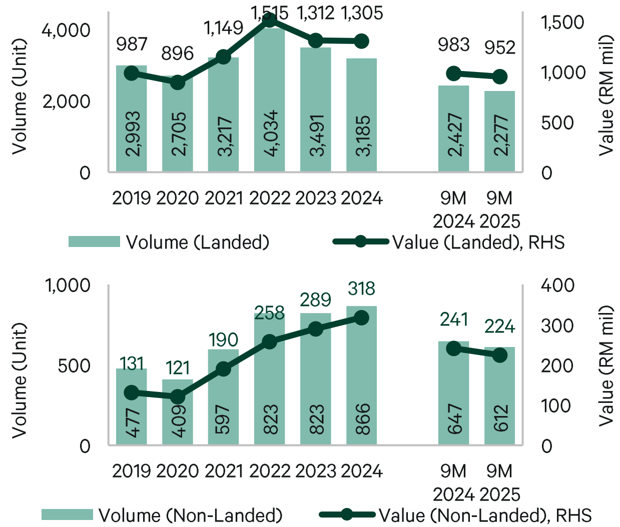
Overall residential supply in 2025 recorded 1.9% average growth year-on-year with the high-rise residential sector growing faster than the landed residential. The number of completions for 2025 exceeds the number of launches. The tapered launches will help to further curb overhang.

Cumulative Supply in Kuching



Note: Cumulative supply includes serviced apartments and Small Office Home Office (SOHO) units.
Abbreviations: 9M – January to September; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWY Research

Residential Transactions in Kuching



Abbreviations: 9M – January to September; RHS – refer to right-hand-side axis; mil - million
Source: National Property Information Centre, WTWY Research

Overhang

The overall residential overhang for Kuching decreased significantly by about 18.5% on average in 2025, contributed by the substantial decrease in the overhang of high-rise residential units (-20.9%) and landed housing (-14.5%).

Pricing

Pricing continues to experience steady and moderate growth, with overall prices showing gradual appreciation rather than major fluctuations. Sarawak has one of the highest All House Price (AHP) in Malaysia after Kuala Lumpur and Selangor, recording RM540,884 as at 3Q 2025 (9.4% higher than the national average), with Kuching having the highest average house pricing in the State.

Rental

The rental market has seen increased demand due to changing lifestyles and mobility.

Kuching: Residential

OVERVIEW AND REVIEW: RESILIENCE AMIDST MODERATE GROWTH (cont'd)

Challenges

Rising inflation, land and construction costs are impacting affordability. There is also a mismatch in the supply and demand with a lack of new landed housing units compared to an oversupply of non-landed high-rise units.

Opportunities

Key opportunities for the residential market in Kuching in the near term (2025–2026) include riding on significant infrastructure projects, recognising the need for quality homes with the increase in standard of living, benefiting from federal and state housing initiatives (HOC3.0, HDAS, SRAS) and catering to sustained demand for affordable homes and rental units.

Market Trends

There is a high demand for mid-range housing (under RM500,000), particularly from young families and first-time homeowners, leading developers to focus on smaller and more affordable units.

KEY DRIVERS

- Infrastructure developments such as the Pan Borneo Highway and Kuching Urban Transportation System (KUTS) are improving connectivity, opening up new areas, and making suburban and even outskirt areas more appealing.
- Economic growth and diversification into sectors like tourism, healthcare, and education are attracting talent into the City and fuelling demand.
- Government initiatives offering state-level support and affordable housing schemes help to stabilise the market and cater to lower-income segments. The Sarawak government aims to construct 20,000 units of affordable housing between 2026 and 2030 under the 13MP.

POLICIES AFFECTING THE HOUSING MARKET

- Sales & Service Tax (SST) of 8% on rental incomes for firms with more than RM1 million revenue will affect the rental prospects.
- Sarawak Affordable Housing Trust Fund (SAHTF) is a new funding model for public housing whereby private developers with projects above 10 acres are required to make financial contributions to this fund instead of physically setting aside land and constructing affordable housing units themselves. The state government, through the Housing Development Corporation (HDC), is now responsible for using these funds to build the affordable homes.
- SAHTF: The developer's financial contribution is paid in stages tied to the project's progress:
    - 10% upon Planning Approval (SPA Approval).
    - 20% prior to the submission of the Building Plan to the Local Authorities.
    - 20% prior to the approval of the Sales and Advertisement Permit.
    - 50% prior to the issuance of the Occupation Permit (OP).
- Housing Deposit Assistance Scheme (HDAS) provides a deposit subsidy (10% of the purchase price up to RM10,000) to first-time homebuyers from the B40 and M40 income groups.
- Sarawak Housing Rental Assistance Scheme (SRAS) offers RM200 per month in rental assistance for up to 36 months to eligible low-income households in major urban areas.

RESIDENTIAL MARKET OUTLOOK 2026: NAVIGATING GROWTH WITH CONNECTIVITY AND COMMUNITY-CENTRIC GOALS

2025 was marked by greater caution from developers and more targeted strategies to address specific market conditions. Whilst the market in 2024 was buoyed by overall economic recovery, 2025 focused more on maturity and sustainability, with developers adjusting to rising construction costs and shifting demands.

The 2026 forecast for Kuching's residential market is cautiously optimistic, fueled by strategic infrastructure development, supportive government policies, and long-term demand, particularly for reasonably priced housing. However, the market continues to face increasing supply of high-rise residential units and affordability challenges.

The overall residential market sentiment for Kuching in 2026 is expected to be stable and moderately positive. The market is transitioning towards a more sustainable and structured growth phase, driven by government reforms and infrastructure, rather than short-term stimulus. For investors and homebuyers, opportunities exist in strategically located areas with potential to benefit from infrastructure projects. For developers, there is a need to look into working with the public sector in expanding the affordable and mid-range housing.

Upton @ Jalan Arang
Source: WTWY Research

Kuching: Purpose-Built Office

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply (million sq. ft.)	6.60	6.13	▲ 7.7%
Occupancy Rate	79.0%	82.0%	▼ 3.0 pp
Net Absorption/ Take-Up (million sq. ft.)	0.16	0.55	▼70.4%

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; sq. ft. – square feet
Source: National Property Information Centre, WTWY Research

OVERVIEW AND REVIEW: STABLE, ALBEIT STAGNANT

For 2025, the private purpose-built office (PBO) market in Kuching saw stable supply and demand, supported by increased business confidence from infrastructure projects and a growing economy. Whilst the overall rental and prices hold steady for PBO, there are upticks for prime shop-offices, with a general trend towards consistent, moderate growth in the broader commercial real estate sector for 2025.

The Kuching office market was marked by an absence of new private PBO supply for 2025.

In contrast, several large, new office developments have been built to be occupied by government-linked entities, but these have not contributed to the available commercial office space offered in the market or generated new benchmark rental rates.

The Kuching PBO market in 2025 remains niche and very much a tenant's market with good options for quality space, driven by the steady inflow of new projects and stable, albeit unexciting, demand.

Supply

The supply of PBO spaces in Kuching is expected to be limited in new additions for these 2 years, similar to the trend observed in 2024, which is favorable for market stability.

Transactions

Transaction volume and value for office lots have decreased by around 52.1% and 49.1% respectively year-on-year for Kuching. Kuching accounted for almost all the transaction activities for office lots in Sarawak.

Overhang

The overall commercial sector (including shop-offices) overhang in Kuching has decreased about 28.0% year-on-year in 2025 (3Q 2024: 436; 3Q 2025: 314). Kuching's overhang units make up about 30.8% of completed unsold units in Sarawak and are mainly contributed by 3-storey shop-offices (43.3%) and stratified units (43.0%).

Pricing

For commercial property sales (mainly comprising shop office units), transacted prices in the last 12 months range between RM200,000 and RM800,000, averaging about RM367 per sq. ft.

There is a general moderate price growth for the commercial real estate sector for 2025, more cost-push than demand-pull.

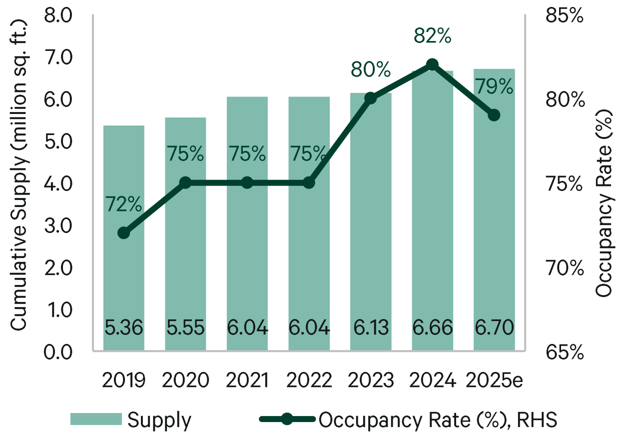
Occupancy

The average occupancy rates of PBO in Kuching is anticipated to drop by a few percentage points which will cause the overall annual net absorption in terms of space area to decline significantly by about 70% for 2025.

Rental

Average office rental rates in Kuching are stable, generally falling in the range of RM2.50 to RM4.00 per sq. ft. per month, with prime and better locations commanding higher rents.

Cumulative Supply and Occupancy Rate



Abbreviations: e – estimate; sq. ft. – square feet; RHS – refer to right-hand-side axis
Source: National Property Information Centre, WTWY Research

Average Gross Monthly Rental Rates

Type of Unit	Level	Monthly Average Gross Rent (RM per sq. ft.)
Prime Unit	Ground	RM3.50 – RM4.50
	Upper Floors	RM2.50 – RM3.50
Non-Prime Unit	Ground	RM2.50 – RM3.50
	Upper Floors	RM1.50 – RM2.50

Source: WTWY Research

Kuching: Purpose-Built Office

OVERVIEW AND REVIEW: STABLE, ALBEIT STAGNANT (cont'd)

Challenges

The unsold and vacant units put downward pressure on occupancy rates and rental growth, particularly for non-prime properties. Due to the preference of shop offices over PBOs, rental rates for PBOs have largely remained subdued, hovering around RM2.50 to RM3.00 per sq. ft. which has been maintained for some time. This limits potential returns for investors focused solely on rental income growth.

In addition, the emergence of newer and ESG-compliant office buildings creates a more competitive market going into 2026 and the near future, potentially softening rental rates and pressuring occupancies of older office buildings. Older office buildings that have not been upgraded may struggle to attract or retain tenants.

Increasing operational and construction costs (SST on materials) will require higher rents to sustain, which is difficult to achieve in the current soft market.

Sarawak's relatively small population and lower population density compared to other major Malaysian urban centers can limit the pace of development and demand growth for office spaces.

Opportunities

The Sarawak government's focus on economic diversification under the Post-COVID-19 Development Strategy 2030 (PCDS 2030) is expected to drive demand for commercial properties.

Newer buildings with better specifications and modern facilities, and adhering to higher environmental, social and governance (ESG) standards, are better positioned to attract tenants and investors.

Major infrastructure projects, such as the Kuching Urban Transportation System (KUTS), will improve connectivity within Greater Kuching, creating new attractive business locations.

Market Trends

ESG Compliance and Staff Welfare awareness will shape office spaces in terms of design, specifications, suitability and hence, demand.

The adoption of hybrid and flexible work arrangements also influences demand, with some businesses potentially opting for co-working spaces or smaller, more efficient office footprints.

POLICIES AFFECTING COMMERCIAL OFFICE MARKET

Sales & Service Tax (SST) of 8% on rental incomes for firms with more than RM1 million revenue will affect the rental prospects.

Government's Green and ESG-Compliance Agenda will translate to incentives such as income tax exemptions for green technology investments, thus, encouraging more sustainable high-value and energy efficient GBI-certified buildings to foster "green cities".

These initiatives will fundamentally reshape commercial property investment decisions, with properties featuring strong ESG credentials likely commanding better demand and premium valuations.

KEY DRIVERS

The key drivers for the office sector in Kuching for 2025 are primarily linked to the state's economic transformation plan, which emphasizes economic diversification, digital transformation, and major infrastructure development:

- Sarawak's Post-COVID Development Strategy 2030 (PCDS 2030)'s agenda for green and clean energy, industrial development (including data centers and semiconductors), and digital innovation is expected to generate significant new demand for modern commercial and office spaces for tech companies, startups, and related services.
- Large-scale infrastructure developments such as the Pan Borneo Highway and Kuching Urban Transportation System (KUTS) are enhancing connectivity and economic activity across the state.
- MICE Events led by the state government to attract foreign and domestic investments, coupled with a focus on hosting business events (e.g., Asean Sarawak Business and Economic Forum 2025), will bring more businesses and professionals to the region, creating demand for quality office accommodation.
- ESG Awareness is influencing business practices and thus, affects corporate decisions on improved working environment and staff welfare which may in the long-term favour newer, purpose-built offices over older, lower-grade stock.
- Talent Development and Workforce Growth which focuses on targeted skills training as part of the Government initiative will churn out a more skilled and productive workforce which will lead to employment growth, creating a sustainable demand for office space.

Kuching: Purpose-Built Office

PURPOSE-BUILT OFFICE MARKET OUTLOOK 2026: STABLE SUPPLY, STEADY RATES

The market for the PBO sector in Kuching will continue to be niche whereby demand is limited and confined to owner-occupiers and mostly built on a pre-let or pre-rent basis.

Although the general office market in Kuching continues to be soft, new and prime office spaces have recorded increased rental rates. The Kuching commercial office sector for 2026 is projected to maintain its current stability, characterised by subdued rental rate growth, as a significant supply of new office spaces will lead to competitive pressure on older, secondary buildings. Overall, the market is still rather resilient, with prices generally remaining steady.

The new supply of office buildings coming from the public sector such as Hikmah Exchange and Unifor Complex plus other upcoming ones are expected to affect the equilibrium when government agencies which had been occupying private offices move to these new government buildings.

While the Kuching office market is founded on shop offices, the trend for new demand is potentially shifting towards higher-spec purpose-built office spaces as business practices and priorities shift. The market will likely see a divergence, with older shop offices needing to adapt or face increasing vacancy rates.

In summary, the office sector is anticipated to remain stable and steady, with moderate growth. However, the medium and long-term outlook appears promising, spearheaded by anticipated business growth in Kuching which will boost the local economy to support more commercial space.

Plot 6 & 7 @ NBX, Kuching-Samarahan Expressway
Source: WTWY Research

Plot 71 & 72 @ NBX, Kuching-Samarahan Expressway
Source: WTWY Research

Kuching: Purpose-Built Retail

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Malaysia's Annual Retail Sales Growth	2.7%	3.8%	▼ 1.1 pp
State's Consumer Price Index	128.6	127.3	▲ 1.3 pts
State's Inflation	1.0%	2.5%	▼ 1.5 pp
Cumulative Supply (million sq. ft.)	8.70	8.51	▲ 2.3%
Occupancy Rate	75%	70%	▲ 5.0 %
Net Absorption/ Take-Up (million sq. ft.)	0.57	0.08	▲ 624%

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; pts – points; sq. ft. – square feet
Source: Retail Group Malaysia, Department of Statistics Malaysia, WTWY Research

Tower 33
Source: WTWY Research

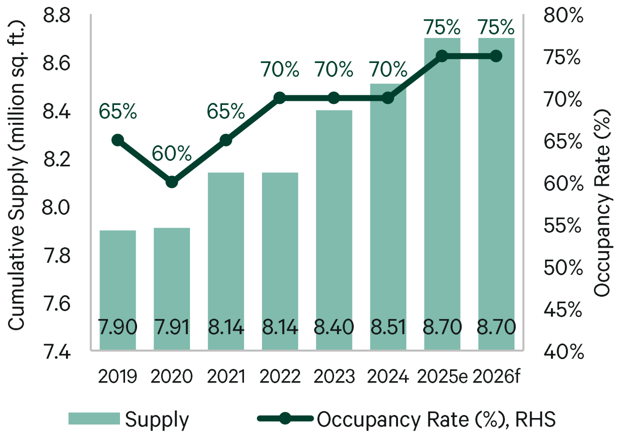
OVERVIEW AND REVIEW: MIXED

Kuching's retail sector in 2025 is experiencing a mixed outlook, with moderate growth while navigating challenges posed by rising operating costs and cautious consumer sentiment. Previous oversupply has also contributed to a softer market, particularly for some older properties.

At the same time, there are opportunities to re-invent and rejuvenate the retail scene with increased urbanisation, digital transformation, and a focus on experience-based retail. While overall growth is slow, sectors like F&B, personal care and home improvements are resilient, and the region benefits from its own specific growth drivers like infrastructure development which has eased and increased inter-town travels, particularly so for Kuching which, as the capital with the biggest and most modern malls in Sarawak, has attracted increased visitors from outstation.

In summary, the retail trend for 2025 indicates an improving market, but the actual improvement in occupancy and rental rates is likely to be selective, favouring better-positioned and modern retail spaces.

Cumulative Supply and Occupancy Rate



Abbreviations: e – estimate; f – forecast; sq. ft. – square feet; RHS – refer to right-hand-side axis
Source: WTWY Research

Supply

The supply of purpose-built retail spaces in Kuching increased slightly by about 2.3% for 2025 with the completion and opening of Westfield Point and Tower 33 retail podium. There are no expected new additions for 2026.

Two malls are now currently under various stages of construction, namely, Pines Square Mall @ Batu Kawa and VivaCity 2 which are not expected to be completed until 2027 and beyond.

Transaction

There was a decrease in transaction activities for the retail shops sector in Kuching which recorded a drop in volume and value by 38.2% and 2.2% respectively year-on-year for 2025. Kuching accounted for about 43.4% of the volume and 57.0% of the value of retail lots transacted for Sarawak.

Pricing

The pricing for purpose-built retail units remains more or less the same for 2025.

Transaction prices for retail units in shopping complexes in Kuching show considerable variation, generally ranging from approximately RM400 to RM1,300 per sq. ft., depending on the specific location and condition.

There is moderate price growth for units in prime malls.

Occupancy

The average occupancy rates of the retail property sector in Kuching for 2025 are expected to see moderate improvement as there is no new supply, though challenges remain due to existing competition in the current soft market and rather weak consumer sentiments.

Rental

Rental rates for purpose-built retail units in Kuching malls vary greatly based on the mall's popularity, location, facilities and condition. Asking gross rental rates generally range from approximately RM7.00 to over RM15.00 per sq. ft. per month.

Kuching: Purpose-Built Retail

OVERVIEW AND REVIEW: MIXED (cont'd)

The retail rental rates in Kuching are generally stable in 2025, with potential for slight increases in prime, high-demand and newer units, but no widespread sharp increases.

Challenges

The retail sector in Kuching faces several key challenges, primarily stemming from a market imbalance between supply and demand, rising operational costs, and evolving consumer behavior.

- Oversupply of retail Space: The high ratio of retail space supply relative to the population size in Kuching results in fierce competition for a limited consumer base. This puts significant pressure on occupancy rates and rental levels, particularly for older, less popular malls.
- Weak consumer spending power: Although the economy is growing, consumer sentiment remains weak due to the rising cost of living. Higher costs for essentials have adversely affected spending on non-essential purchases, impacting overall retail sales.
- Rising operational costs: Retailers and developers are grappling with increased costs of construction materials, labour, and logistics exacerbated by the recent increase in SST to 8% which is passed onto consumers, affecting the purchasing power.
- Decentralisation and competition: The development of new commercial hubs away from the city center is challenging the viability of older downtown retail areas. Older malls may need to be repurposed to remain relevant.
- E-commerce competition: The ongoing shift toward digital commerce and e-commerce platforms offering competitive pricing and convenience continues to challenge traditional brick-and-mortar stores.

Opportunities

There are opportunities for niche markets and specialised offerings focused on F&B and lifestyle and premium brands as urban Sarawakian consumers are increasingly more exposed to global trends.

Market trends

Market trends for the retail sector in Kuching for 2025 reflect a dynamic environment where an ongoing need for adaptation is crucial due to a blend of local market conditions and global influences.

In a generation where most shopping can be done at ease online, experiential/aesthetics, value for money, good service & quality retailing will give an edge over others and appeal to the modern shopper.

KEY DRIVERS

The key drivers of the retail sector in Kuching for 2025 are a combination of strong local economic fundamentals, government policy support, a recovering tourism industry, and evolving consumer preferences towards experiences and digital integration.

- Socio-Economic fundamentals: A growing urban population with an increasing mean household income will push up demand in the retail market.
- Product differentiation: With an increasingly affluent and discerning local population, there is a need to have product differentiation through innovation, aesthetics, experiential offerings and value-added services to draw higher footfalls to the particular mall or outlet.
- Government-led initiatives: The state government's efforts in drawing up various international events and tourist activities will serve to attract more visitors to Kuching and hence, the State.

RETAIL MARKET OUTLOOK 2026: POSITIVE BUT CAUTIOUS AND UNEVEN

The retail market outlook for Kuching in 2026 is cautiously positive, underpinned by supportive economic fundamentals but tampered by ongoing challenges related to competition, costs, and evolving consumer behavior. The sector is expected to benefit from increased tourism and sustained domestic spending, though mall performance will likely remain uneven.

Despite the challenges, the retail sector in Kuching remains promising with opportunities for significant retail growth with continual increase in tourist arrivals, particularly, domestic tourists from other towns in Sarawak drawn to the capital city during weekends and holidays.

Westfield Points Retail Mall
Source: WTWY Research

Kuching: Industrial

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
Cumulative Supply Factories (unit)			
Overall	2,836	2,810	▲ 0.9%
Detached	466	466	↔
Semi-Detached	1,678	1,652	▲ 1.6%
Terraced	495	495	↔
Cluster	0	0	↔
Others [1]	197	197	↔
Transaction Performance			
Volume (unit)	114	160	▼ 28.8%
Value (RM billion)	0.124	0.116	▲ 6.3%
Overhang Supply Factories (unit)			
Overall	232	251	▼ 7.6%
Detached	0	0	↔
Semi-Detached	42	61	▼ 31.1%
Terraced	190	190	↔
Cluster	0	0	↔
Others [1]	0	0	↔
State's Total Approved Investment (RM million)	4,332.6	13,768.9	▼ 68.5%
State's Approved Manufacturing Investment (RM million)	920.3	5,100.6	▼ 82.0%

Disclaimer: Figures may show slight differences due to rounding.
Note: Other factories including flatted factories, industrial complexes.
Abbreviations: 9M – January to September; y-o-y – year-on-year changes; pp – percentage points
Source: Malaysian Investment Development Authority, National Property Information Centre, Department of Statistics Malaysia, WTWY Research

OVERVIEW AND REVIEW: STRONG & STABLE

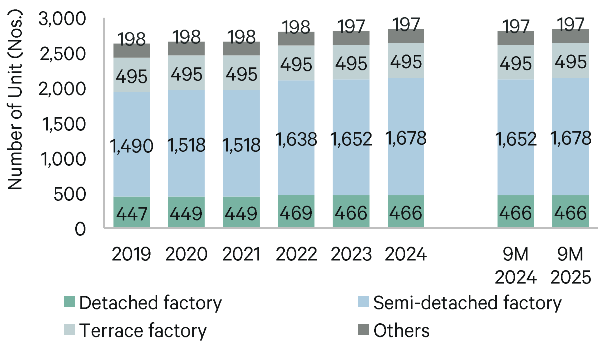
In 2025, Sarawak's overall industrial sector demonstrated strong performance and continued growth, with a 12.3% increase in volume and a 20.9% increase in value transacted, driven by substantial investments, strategic infrastructure development, and a focus on high-value industries such as semiconductors and green energy.

Kuching's performance lags behind Sibu and Bintulu which recorded the highest numbers and highest values transacted respectively. However, Kuching was the second highest contributor in terms of total transaction value in Sarawak, with a 6.3% growth, although transaction activity had dropped by 28.8% in Kuching.

A significant launch in 2025 was the PrimeBay Industrial Park in the Demak Laut Industrial Zone, offering 73 units of 2-storey factory units mainly to cater to logistics and manufacturing operations. Launch prices start from RM1.88 mil for the 2-storey semi-detached units to RM3.74 mil for the detached units.

The market situation can be more accurately described as a mixed landscape with a strong demand for strategically located industrial facilities, co-existing with a specific overhang of less suitable stock.

Industrial Supply in Kuching



Note: Other factories including flatted factories, industrial complexes
Abbreviation: 9M – January to September
Source: Department of Statistics Malaysia, National Property Information Centre, WTWY Research

Overhang

According to NAPIC's data for 9M 2025, the overall industrial sector overhang in Sarawak has dropped by 13.2% year-on-year, with Kuching having more than 86.2% of the completed unsold units, mainly contributed by 2-storey terraced factory units. In essence, Kuching's industrial overhang has also decreased by 7.6% year-on-year.

While there is a surplus of certain unsuitable, secondary units, there is good demand for factory units with good logistics from the light engineering and light manufacturing sectors as well as purpose-built industrial facilities that cater to high-tech sectors like semiconductors, data centres, and logistics.

Although there is a decrease in volume performance year-on-year for Kuching, the market for 2025 can still be described as positive, resilient and growing, more so for Sarawak as a whole, driven by government initiatives and new investments, leading to an upward trend in property values in new industrial parks.

Pricing

Prices in new and strategically located parks are on an upward trend, while older or less-suitable stock may face downward pressure.

Generally, pricing for industrial properties in Kuching is still on the uptrend.

Rental

Average industrial rental rates in Kuching are stable, generally falling in the range of RM0.80 to RM1.20 per sq. ft. per month, with prime and newer locations commanding higher rents.

Kuching: Industrial

OVERVIEW AND REVIEW: STRONG & STABLE (cont'd)

Challenges

- Shortage in the Talent Pool to meet the demands of the state's push into high-tech manufacturing, such as the semiconductor and high-tech industry.
- Global Trade Uncertainty, particularly surrounding trade tariffs which impact commodity prices and trade volumes etc. remained a challenge.
- Infrastructure and Logistics issues such as high shipping costs, poorer infrastructure and weaker connectivity can increase operational costs for businesses in Kuching.
- Diversification is needed in the State's economic base, to reduce over-dependency on the manufacturing and services sector.

Opportunities

Kuching's industrial sector presents significant growth opportunities driven by the state's strategic focus on the following:

- Semiconductors and Electronics (E&E)
- Green Energy & Hydrogen Economy
- Agro-Food Industrialization
- Infrastructure and Logistics
- Digital Economy
- Resource-Based Manufacturing

KEY INDUSTRIAL DEVELOPMENTS

Key industrial developments in Kuching for 2025 focus heavily on high-tech manufacturing, particularly the semiconductors, and major infrastructure upgrades to support long-term economic growth under the Post-COVID-19 Development Strategy (PCDS) 2030.

Significant industrial developments include:

- Aerospace Hub: Plans were announced in May 2025 to establish an Aerospace Industrial Park in collaboration with Airbus, focusing on high-value manufacturing, MRO (maintenance, repair, and overhaul), and sustainable aviation fuel research.
- Semiconductors and Green Energy: Sarawak reinforced its position in the global supply chain with OCI TerraSus announcing a new RM2 billion partnership to produce semiconductor-grade polysilicon by 2029. A new Sarawak Semiconductor Roadmap launched in April 2025 is also a key focus.
- Light Industrial Sector: Public-listed companies like HSL and IBRACO expanded into the light industrial segment, to meet rising demand from SMEs and logistics companies.

To accommodate growth, a total of RM40 million was allocated in the 2025 budget to develop 14 industrial estates across Sarawak, including the Kuching High-Tech Park as an expansion for the Sama Jaya Free Industrial Zone.

INVESTMENTS

The amounts of investments for Sarawak appear to show a significant drop for 2025 year-on-year, as it is compared against a record-breaking 2024 whereby Sarawak secured RM17.6 billion in total investments, with RM7.5 billion specifically in manufacturing.

While there can be fluctuations in investment figures quarter by quarter due to the timing of large-scale project approvals, the overall picture for Sarawak's investment landscape in 2025 is one of positive growth and increasing attraction for both domestic and foreign investors, especially in the targeted high-value manufacturing and services sectors.

KEY DRIVERS

The industrial sector is primarily driven by a combination of established natural resource-based industries and an increasing focus on high-value, technology-driven sectors under the state's PCDS 2030.

The State's ESG agenda towards green, carbon-free energy has also affected its industrial focus and expansion with emphasis on certain industries such as hydro-power production etc. as well as digital transformation and innovation to power the industries.

Key infrastructure projects in the State are also enhancing connectivity and supporting industrial growth. These improvements in logistics and transport reduce operational costs and facilitate trade.

Unlike its counterparts of Bintulu and Miri which are the seats of the oil and gas industries, and Sibu for its ship-building and trade industries, Kuching's industries are mainly centered around light and manufacturing industries, and growth are mainly seen in the SMEs and hi-tech sectors.

INDUSTRIAL MARKET OUTLOOK 2026: POSITIVE

The industrial sector outlook for Kuching in 2026 is positive and poised for steady growth, driven by the state's focus on high-value, technology-intensive industries and major infrastructure projects under the PCDS 2030 and the Thirteenth Malaysia Plan (13MP).

66 Light Industrial Park, Pines Square
Source: WTWY Research

Kuching: Hotel

KEY INDICATORS

	9M 2025	9M 2024	y-o-y
State's Hotel Guest (million people)			
Overall	5.152	5.166	▼ 0.3%
International	0.964	0.973	▼ 0.9%
Domestic	4.188	4.193	▼ 0.1%
State's Cumulative Supply (No. of Hotels)			
Overall	62	62	↔
3-Star Hotel	36	34	↔
4-Star Hotel	16	20	↔
5-Star Hotel	7	5	↔
Serviced Apartment	3	3	↔
Average Daily Room Rate			
3-Star Hotel	RM128	RM136	▼ 5.9%
4-Star Hotel	RM221	RM207	▲ 6.8%
5-Star Hotel	RM358	RM351	▲ 2.0%
Serviced Apartment	N/A	N/A	
Average Occupancy Rate			
3-Star Hotel	46.0%	46.7%	▼ 1.5%
4-Star Hotel	55.4%	55.0%	▲ 0.7%
5-Star Hotel	44.6%	48.8%	▼ 1.5%
Serviced Apartment	N/A	N/A	

Disclaimer: Figures may show slight differences due to rounding.
Abbreviations: 1H – January to June; 9M – January to September; y-o-y – year-on-year changes; pp – percentage points; N/A – no info available
Source: Ministry of Tourism Malaysia, Malaysian Association of Hotels, WTWY Research

OVERVIEW AND REVIEW: POSITIVE AND GROWING

After a record-high year in 2024 of 4.8 million tourist arrivals for Sarawak, 2025 saw a continued influx of visitors to the State which provided strong demand for hotel accommodations across all market segments.

This sustained the momentum for the hotel property sector in Kuching for 2025 which recorded a strong performance amidst tourism promotions, government initiatives, and improved connectivity.

Although there was a slight drop in the general average occupancy rate, the general outlook for the hotel industry remains positive, with higher Average Daily Rates (ADR) and Revenue Per Available Room (RevPAR) observed.

Kuching continued to offer a wide range of accommodation, from luxury 5-star hotels to boutique options and budget-friendly inns, catering to diverse traveler profiles.

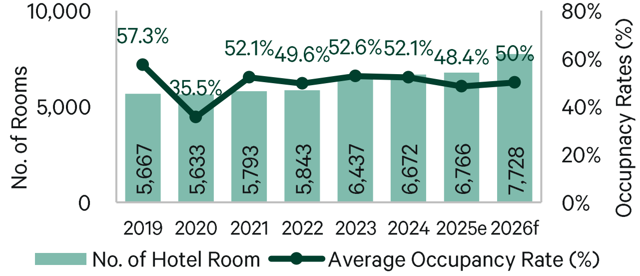
The sector has benefited from growing interest by renowned international hotel brands, such as the recent opening of the 5-star Sheraton Kuching in the CBD and the current development of the first Voco hotel by the InterContinental Hotels Group (IHG), and Citadines by The Ascott Limited Group.

In conclusion, 2025 was a year of strong performance and strategic growth for the Kuching hotel sector, successfully capitalising on the post-pandemic tourism boom and laying a solid foundation for future expansion in line with the Sarawak Tourism Master Plan 2021-2035.

Challenges

Key challenges in the hotel sector in Kuching include shortage of skilled labour, rising operational and labour costs, increased competition, and the need to adapt to evolving guest expectations. The sector is also vulnerable to global events such as economic downturns, viral outbreaks, etc. There is a need to improve overall workforce skills and technology, in addition to creating interesting and sustainable tourism programmes and campaigns to boost numbers.

Cumulative Supply and Occupancy Rate



Abbreviations: e – estimate; f – forecast
Source: WTWY Research

Opportunities

With the State's excellent recovery in visitor arrivals and Kuching being the gateway to Sarawak, the hotel sector in Kuching has the advantage and significant opportunities in the areas of:

- Business and Health Tourism such as the promotion of Kuching as a hub for Meetings, Incentives, Conferences, and Exhibitions (MICE) activities in Sarawak, with the expansion of facilities for Borneo Convention Centre Kuching (BCCK). There is also great potential in health and medical tourism, attracting outpatients and their families who require hotel stays.
- Culinary Tourism which can boost Kuching's status as a UNESCO Creative City of Gastronomy offering opportunities in food campaigns highlighting its unique local cuisine.
- Smart Tourism can also benefit the hotel sector by leveraging Technology and Digital Marketing in tourism. involving the use of digital marketing/services, social media, and mobile apps to enhance their online presence to reach a global audience with convenient and seamless personalised guest bookings and experiences.
- Sustainable and Responsible Tourism opens up opportunities to cater to environmentally conscious travellers by adopting sustainable practices, obtaining eco-certifications, and promoting responsible travel conduct.

Kuching: Hotel

KEY DRIVERS

The hotel sector in Kuching is driven by tourist volumes, which were highly domestic. Post-pandemic, with improved exposure and ease of travel worldwide, there is an increasing ratio of foreign visitors to Kuching as well as increasing numbers under the Sarawak-Malaysia My Second Home (S-MM2H) Programme. These foreign visitors have higher spending power which will help increase demand for star-rated hotels and boost revenues.

Key drivers for tourism in Kuching, and for that matter, Sarawak, are a unique blend of natural attractions, rich cultural heritage, gastronomical delights, strategic government initiatives, and an expanding events calendar. All these will work together to bring about the synergy to attract and draw in more visitors to Kuching and hence, Sarawak.

The establishment of the state-owned BorneoAir also increases the potential of more direct flights with other regional cities to boost travel and tourism to Kuching and the rest of the State.

The State will stand to gain and benefit from the national VMY 2026 promotions slated for next year which will help boost tourists and revenue to the Country and State for the coming year.

HOTEL MARKET OUTLOOK 2026: OPTIMISTIC

The hotel market outlook for Kuching in 2026 is positive, driven by strong government tourism initiatives, an increase in visitor arrivals, and significant events that are expected to boost demand and occupancy rates.

The overall sentiment among hotel operators is cautiously optimistic, with expectations of increased average room rates to cover increase in costs, with focus on higher standards of service and innovations to enhance the guests' experience.

VOCO Hotel, Kuching
Source: WTWY Research

MARKET OVERVIEW FOR

OTHER STATES

Alor Setar, Kedah

RESIDENTIAL: MARKET CONTINUES TO STRENGTHEN

Residential transaction activity in Kedah continued to strengthen in 9M 2025, with 10,363 units worth RM2.97 billion transacted. This represents a 7.8% increase in volume and a 20.7% rise in value compared to 9,612 units valued at RM2.46 billion in 9M 2024.

The landed residential segment remains stable, supported by upcoming large-scale developments. SC Estate Builder Bhd, through its subsidiary company, SC Estate Energy Sdn Bhd has entered into a joint venture with Vanguard North Sdn Bhd, is set to develop four land parcels totalling approximately 61 acres in Kubang Pasu. The project aims to deliver 2,000 to 3,000 affordable homes equipped with rooftop solar panels in line with the National Energy Transition Roadmap (NETR). Construction is expected to begin in 2Q 2026, with full completion targeted for 2Q 2030.

Demand for high-rise residences in Langkawi is emerging. Tropicana Corp Bhd has launched the final phase of Tropicana Cenang, namely Clarissa Serviced Suites, following the full take-up of the earlier Assana and Merissa phases. Clarissa is a freehold 40-storey development comprising 806 fully furnished serviced suites ranging from 536 to 1,356 sq. ft., each equipped with a built-in kitchen, sanitary fittings, appliances, and ready-to-use furnishings.

Land transactions in Kedah continue to trend toward township-focused land acquisitions. Key transactions include:

- OSK Amanjaya Sdn Bhd acquired 34 parcels of agriculture land with development potential, comprising a total of 685.92 acres In northern Sg. Petani, for RM147.79 million.
- Paramount Corp Bhd acquired four freehold parcels measuring approximately 296 acres in Bandar Lunas, Kulim for RM128.74 million. The land is earmarked for a RM946 million township located about 4KM north of KHTP Phase 4A.
- Aman Cove Sdn Bhd purchased 70 acres of commercial and residential land in KHTP for RM67 million. The planned RM650 million township, integrating residential, commercial, and community amenities, will be developed over 12 years, with groundbreaking targeted for 1Q 2027.

The residential market is expected to maintain steady growth through 2026 and beyond.

INDUSTRIAL: ENCOURAGING INVESTMENT AND EXPANSION TO DRIVE THE MARKET

From January to September 2025, Kedah recorded approved manufacturing investments totaling RM15.8 billion across 62 projects, placing the state second after Johor (RM18.65 billion).

Investment activity remained heavily concentrated in Kulim, driven by spillover benefits from Penang's strong industrial ecosystem.

Key developments include Ferrotec Holdings Corporation breaking ground on its second high-technology manufacturing facility at Kulim Hi Tech Park (KHTP). The RM1 billion project will span 20 acres and is expected to create more than 1,000 high-value jobs.

Another notable addition is the opening of Ichia Technologies' new manufacturing facility at KHTP on an 11 acres site, which carries an investment value of RM490 million and the creation of 600 new job opportunities.

According to NAPIC, the supply of industrial units in Kedah increased from 3,873 units in 3Q 2024 to 4,023 units in the corresponding period of 2025.

Expansion continues at KHTP with Phase 4A, covering 255 acres across 10 industrial plots that range from 6 to 50 acres. Infrastructure works are nearing completion and the asking price is approximately RM70 per sq. ft.

Further growth is being supported by the upcoming KHTP Phase 5, which spans 471 acres, as well as the proposed development of KHTP 2.0, an estimated 3,000 acres area currently in the planning stages.

Encouraging demand, supported by investment inflows and continued capacity expansion, is expected to drive ongoing growth of the state's industrial sector.

HOTEL: IMPROVING HOTEL PERFORMANCE AND GROWING INVESTMENT INTEREST

The tourism sector in Kedah, particularly in Langkawi, remains relatively stable. According to the Langkawi Development Authority (LADA), tourist arrivals reached 2.904 million in 2024, representing a 3.3% increase from 2.810 million in 2023.

Hotel performance indicators also improved, with 3- to 5-star properties recording an average occupancy rate of 67.8% from January to September 2025, up from 62.3% year-on-year. The Average Daily Rate (ADR) rose to RM1,011 compared to RM965 last year, reflecting sustained demand for the island's premium accommodation offerings.

Rebranding exercises and transaction activities are gaining momentum.

AmanahRaya REIT has entered into a long-term lease for the former Holiday Villa Alor Setar from Urban Collection Sdn Bhd. The 21-storey, 150,000 sq. ft. property will undergo refurbishment and upgrading works that include co-working spaces, modern accommodation concepts and self-service retail options. Operations under the new operator are targeted to commence in May 2026.

Oriental Holdings Berhad has acquired the 4-star Bayview Hotel Langkawi (282 rooms) from Boon Siew Sdn Bhd for RM91 million, alongside two additional hotels in Penang. The Langkawi property will be refurbished and rebranded as 'FOX Hotel Langkawi' under Ascott's management.

In terms of infrastructure, the upcoming KHTP Medical Centre, with 183 beds, is slated for completion in 2027. PMCK Bhd is also developing PMC Kulim, scheduled to begin operations in 1Q 2028, further contributing to the state's healthcare ecosystem.

Kedah's hospitality market is expected to register steady growth in 2026.

Ipoh, Perak

RESIDENTIAL: STABLE MARKET AMID CHALLENGES

The residential market has remained relatively stable in 2025, although transaction activity has been moderate due to softer buying sentiment.

Overhang units continue to pose a challenge, but conditions are expected to improve with government measures and tax relief incentives for first-time buyers.

Developers remain cautious, resulting in limited new launches that reflect current supply–demand factors.

The market is expected to stay subdued in the near term, defined by stable pricing and selective demand.

SHOP-OFFICE: STEADY & RESILIENT PERFORMANCE

The shop-office sector is showing steady signs of resilience, a trend that is expected to persist into 2026. Relative stability is observed in prime areas and established commercial locations, which continue to perform well.

Secondary locations are attracting tenants who prioritise cost efficiency over walk-in traffic, driven by the shift towards online and hybrid business operations.

Average rental rates for PBOs and shop-office units in Ipoh remain steady, ranging from RM1.50 to RM2.50 per sq. ft. per month.

RETAIL: INVESTOR OPTIMISM DRIVING POSITIVE MOMENTUM

The retail sector is gaining momentum, supported by a redeveloped mall and notable transaction activity.

Sentral Mall @ Ipoh (formerly AEON Mall Klebang) has been revitalised and reopened with new anchor tenants such as Parkson and Cold Storage, complemented by attractions including Sentra Splash water theme park, Funtasi Land by Carnivex Adventure, and Pickle Land. This enhanced mix of retail, recreation, and wellness offerings establishes it as a new landmark in the city.

Investor confidence is also evident, highlighted by Sunway REIT's acquisition of AEON Mall Seri Manjung for RM138 million from YNH Property Berhad. The two-storey retail complex, situated on 30.25 acres of freehold commercial land with ample parking, is fully leased to AEON Co (M) Bhd under a long-term lease with 12 years remaining until December 2037.

These investments reflect growing investor confidence and are expected to support further expansion within the market.

Despite the continued rise of online shopping, physical retail remains resilient, driven by consumers seeking lifestyle experiences, dining options, and social engagement. The sector is expected to maintain positive momentum moving into 2026.

INDUSTRIAL: POISED FOR SUSTAINED GROWTH

The industrial property sector continues to strengthen, supported by rising investor interest and major catalytic developments. Approved manufacturing investments rose sharply to RM7.896 billion across 74 projects from January to September 2025, up from RM3.100 billion during 9M 2024.

A key long-term driver is the 23,000 acres Lumut Maritime Industrial City (LuMIC), a joint venture with Port of Antwerp-Bruges International, expected to attract RM72 billion in investments over 25 years. Infrastructure works are scheduled to commence in 2026, with Phase 1 targeted to begin in 2030.

Large-scale industrial park development is also gaining momentum. KLK TechPark by KLK Land, a 1,300 acres industrial hub within the Automotive Hi-Tech Valley (AHTV) in Tanjong Malim, has confirmed BYD as the anchor investor for Phase 1, which will establish its first automotive assembly plant in Malaysia on a 150-acre site. Infrastructure completion is expected by the end of 2026. Phase 2 will introduce a 200-acre vendor park for automotive and manufacturing players.

Meanwhile, Team Keris Berhad has launched ESG Park, a 42-acre gated industrial development in Menglembu, offering 215 two- and three-storey semi-detached and detached factory units with built-up areas starting from 4,050 sq. ft. and prices from RM899,000. The project is expected to be completed in 1Q 2027.

Other key developments, including Silver Valley Technology Park (SVTP), Kerian Integrated Green Industrial Park (KIGIP), and the Perak Halal Industrial Park in Manjung, are anticipated to further drive industrial and economic growth.

Overall, Perak's industrial sector is poised for sustained growth in the coming years.

HOTEL: READY TO POSITION ITSELF AS A LEADING TOURISM DESTINATION

Perak is seeing a steady rise in tourist arrivals, with domestic arrivals reaching 27.4 million in 2Q 2025, a 4.2% increase over the same period in 2024. Foreign hotel guests in 1H 2025 rose 2.5% to 406,929, primarily from Singapore, Thailand, China, and Indonesia, with further growth expected following visa-free entry for visitors from China and India.

The hospitality sector is expanding, with recent completions of the AC Hotel by Marriott in Ipoh and The Host Hotel (2-star). Hotels in the pipeline comprise the new hotel above Sunway Mall in Sunway City Ipoh and Hotel M Hill (261 rooms) near Ipoh Parade. Both properties are expected to be completed between 2027 and 2028.

The upgrade of Sultan Azlan Shah Airport increased annual passenger capacity by 40%, and the introduction of Batik Air's new direct flight from Singapore to Ipoh, commencing in December 2025, is expected to further boost tourist arrivals, particularly from Indonesia and neighbouring countries.

Major infrastructure projects include Ipoh Sentral, a 67 acres transit-oriented development, the West Coast Expressway (WCE), which provides direct access to key coastal towns such as Teluk Intan, Sitiawan, and Lumut, as well as the West Ipoh Span Expressway (WISE), a 60 km highway from Gopeng to Kuala Kangsar that is targeted to commence after 2026.

Perak is also strengthening its medical tourism offerings with the launch of Sunway Medical Centre Ipoh, a RM430 million facility equipped with 165 licensed beds.

The sector is set for steady growth in 2026, in conjunction with Visit Malaysia 2026.

Seremban, Negeri Sembilan

SEREMBAN–NILAI REMAINS A VALUE ALTERNATIVE TO KLANG VALLEY

Seremban and Nilai continued to integrate functionally with Greater Klang Valley via commuter-friendly highways, sustaining steady end-user demand at mid-market price points. New phases in Seremban 2, Nilai and Bandar Sri Sendayan focused on modern two-storey terraced and semi-detached homes. Average benchmarks rose to about RM640,000 for terraced and RM1.40 million for semi-detached, while indicative gross yields held around 4%, signalling firm occupier demand alongside disciplined pricing. Affordability relative to Klang Valley and improving connectivity remained the key drivers.

In contrast, high-rise units faced longer sell-through where pricing exceeded perceived value, reflecting local income sensitivities and competition within Nilai's condominium cluster.

EXPERIENTIAL RETAIL DEEPENS WITH SHOP-OFFICES HOLD STEADY

Retail performance was anchored by the dominance of major malls, AEON Seremban 2 (with an extension underway), Palm Mall and Mydin, which continued to attract chain F&B, lifestyle and convenience operators, with spillovers to surrounding shoplots.

The AEON Seremban 2 extension and linkage progressed through land acquisition and ground-breaking, with plans positioning the enlarged complex to set a new local benchmark and lift footfall once connected via the overhead pedestrian bridge.

In parallel, Seremban 2 and Senawang consolidated their status as the region's growth poles for retail and services, while shop-offices saw stable performance, with typical rents around RM1.80 per sq. ft., yields approximately 5.5% to 6.0%, and transacted prices trending near RM1.40 million for standard two-storey units, reflecting resilient F&B-led demand but uneven absorption in newer precincts.

MVV 2.0 ANCHORS INDUSTRIAL UPSWING

In 2025, the Seremban industrial market continued to strengthen, supported by rising demand from established multinational corporations (MNCs) seeking cost-effective and scalable alternatives to Klang Valley. Domestic investors and foreign manufacturers also increased their presence in the region, drawn by Seremban's improving infrastructure, competitive land pricing, and strategic positioning within major national development corridors.

The most significant structural driver in 2025 was Malaysia Vision Valley 2.0 (MVV 2.0), a long-term economic zone spanning Seremban to Port Dickson. MVV 2.0 outlines dedicated clusters such as the Semiconductor Valley, Aerospace Valley, and the Maritime & Port-Logistics Corridor, creating a comprehensive framework for large-scale industrial, high-technology, and mixed-use development. Throughout 2025, multiple new industrial parks were conceptualised or launched in alignment with MVV 2.0's zoning strategy, reaffirming Seremban's position as a growth extension of Greater Klang Valley.

Demand was further supported by ESG-compliant and green industrial parks, with developments such as SPD Tech Valley drawing strong enquiries from global investors prioritising sustainability, renewable energy integration, and certified green infrastructure. Interest was particularly strong from advanced manufacturing, logistics, semiconductor-related supply chains, and clean-technology operators. The proximity to Port Dickson, reinforced by the Port Dickson Free Zone (PDFZ) and Midport logistics initiatives, also anchored growth, especially for firms requiring seamless import-export connectivity.

Seremban's competitiveness was underpinned by its well-developed transport infrastructure, including direct highway links to KLIA, KLIA2, and major nodes in Klang Valley. The Enstek–Nilai cluster, positioned as the industrial core of MVV 2.0, continued to attract mid- to large-scale tenants due to its accessibility, established ecosystem, and upcoming Malaysia Green Valley initiatives. These hubs benefited from integrated logistics facilities, efficient bypass routes, and ready access to large labour pools.

Market benchmarks indicate factory rents improving to RM1.20 – RM1.50 per sq. ft. and yields at approximately 5.0% to 6.0%, signalling a firming but still competitive occupier market. Key structural catalysts also include the "Malaysia Green Valley" initiative and the Enstek–Nilai industrial belt as MVV's operational core.

OUTLOOK

In 2026, Seremban and Nilai are expected to progress from resilient suburban markets to increasingly relevant extensions of Greater Klang Valley. Residential demand will continue to be shaped by affordability, liveability and improving connectivity, with most homeowners prioritising sustainable design, practical layouts and township-led amenities. Retail and commercial activity is likely to deepen around established nodes as experiential formats, tenant diversification and strategic expansions strengthen the region's draw, though newer precincts may still see selective absorption depending on visibility and footfall.

On the industrial front, MVV 2.0 remains a key catalyst, with continued interest from high-value sectors and ESG-driven occupiers as infrastructure, logistics and cluster-based planning gradually advance. Demand for industrial plots is expected to increase, supporting upward pressure on transacted prices, though absorption may vary depending on location and project readiness. The Enstek–Nilai belt is expected to strengthen as the operational core of the corridor, supported by government initiatives, improving connectivity and a developing ecosystem around advanced manufacturing, logistics and green industrial frameworks.

Collectively, these factors suggest that Seremban and Nilai are likely to enhance their role as strategic growth hubs, moving beyond purely value-based appeal while remaining sensitive to broader market conditions.

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The industrial property sector continues to strengthen, supported by rising investor interest and major catalytic developments. Approved manufacturing investments rose sharply to RM7.896 billion across 74 projects from January to September 2025, up from RM3.100 billion during the same period in 2024.

A key long-term driver is the 23,000-acre Lumut Maritime Industrial City (LuMIC), a joint venture with Port of Antwerp-Bruges International, expected to attract RM72 billion in investments over 25 years. Infrastructure works are scheduled to commence in 2026, with Phase 1 targeted to begin in 2030.

Large-scale industrial park development is also gaining momentum. KLK TechPark by KLK Land, a 1,300-acre industrial hub within the Automotive Hi-Tech Valley (AHTV) in Tanjong Malim, has confirmed BYD as the anchor investor for Phase 1, which will establish its first automotive assembly plant in Malaysia on a 150-acre site. Infrastructure completion is expected by the end of 2026. Phase 2 will introduce a 200-acre vendor park for automotive and manufacturing players.

Meanwhile, Team Keris Berhad has launched ESG Park, a 42-acre gated industrial development in Menglembu, offering 215 two- and three-storey semi-detached and detached factory units with built-up areas starting from 4,050 sq. ft. and prices from RM899,000. The project is expected to be completed in 1Q 2027.

Other key developments, including Silver Valley Technology Park (SVTP), Kerian Integrated Green Industrial Park (KIGIP), and the Perak Halal Industrial Park in Manjung, are anticipated to further drive industrial and economic growth.

Overall, Perak's industrial sector is poised for sustained growth in the coming years.

HOTEL: READY TO POSITION ITSELF AS A LEADING TOURISM DESTINATION

Perak is seeing a steady rise in tourist arrivals, with domestic arrivals reaching 27.4 million in 2Q 2025, a 4.2% increase over the same period in 2024. Foreign hotel guests in 1H 2025 rose 2.5% to 406,929, primarily from Singapore, Thailand, China, and Indonesia, with further growth expected following visa-free entry for visitors from China and India.

The hospitality sector is expanding, with recent completions of the AC Hotel by Marriott in Ipoh and The Host Hotel (2-star). Hotels in the pipeline comprise the new hotel above Sunway Mall in Sunway City Ipoh and Hotel M Hill (261 rooms) near Ipoh Parade. Both properties are expected to be completed between 2027 and 2028.

The upgrade of Sultan Azlan Shah Airport (LTSAS) increased annual passenger capacity by 40%, and the introduction of Batik Air's new direct flight from Singapore to Ipoh, commencing in December 2025, is expected to further boost tourist arrivals, particularly from Indonesia and neighbouring countries.

Major infrastructure projects include Ipoh Sentral, a 67-acre transit-oriented development, and the West Coast Expressway (WCE), which opens direct access to coastal towns including Teluk Intan, Sitiawan, and Lumut.

Perak is also strengthening its medical tourism offerings with the launch of Sunway Medical Centre Ipoh, a RM430 million facility equipped with 165 licensed beds.

The sector is set for steady growth in 2026, in conjunction with Visit Malaysia 2026.

Melaka

RESIDENTIAL MARKET ADAPTING TO AFFORDABILITY AND BUYER EXPECTATIONS

The Melaka residential market experienced slower activity in 2025, with landed housing transactions easing despite prices holding steady, reflecting affordability pressures and greater buyer selectivity. Developers are innovating as a result, with some offering larger frontages for single-storey terrace homes, presumably to cater to local demand. A wider mix of housing types is also introduced to meet rising buyer expectations for quality whilst ensuring prices stay within reach for most. Compact layouts and improved amenities are gaining traction, offering buyers greater confidence and lifestyle value.

Financing schemes like Skim Jaminan Kredit Perumahan (SJKP) and Step-Up continue to support first-time buyers, especially in the M40 segment. With many affordable units still under construction, developers are actively repositioning supply to match demand and sustain interest in both landed and high-rise homes.

High-rise absorptions remain slow, with the bulk of demand coming from mostly tourists, hence most units are used for Airbnbs.

Moving into 2026, the outlook is cautiously optimistic, with landed homes expected to see small price increments and stable occupancy. However, oversupply continues to cap upside for the high-rise segment.

An upcoming trend seen is the ‘build-then-sell’ approach whereby developers start offloading units once upon actual completion, so buyers face less risk of abandoned projects. This introduces tighter cash flow and leverage for developers but provides buyers with peace of mind.

STABLE OFFICE MARKET, STRENGTHENED BY TOURISM AND MODERNISATION EFFORTS

Melaka’s office sector remained stable, with new supply anticipated only after 2027. Existing purpose-built offices maintained steady occupancy, driven by demand from banks, insurance firms, professional services, and government-linked companies. Developers are focusing on ESG-compliant projects, while older buildings are being gradually upgraded to meet modern standards. The shop office market benefited from strong tourism momentum, particularly in Kota Laksamana, where F&B, retail, and hospitality operators remain active. New developments such as Kota Heritage Business Park and Taman Gapam Perdana are expected to further support commercial activity and strengthen Melaka’s business landscape.

TOURISM-LED FOOTFALL AND LIFESTYLE ANCHORS DRIVE RETAIL STABILITY

Melaka’s retail market is performing consistently, supported by steady domestic spending and sustained tourist arrivals. Lifestyle and F&B outlets continue to drive footfall, while premium anchors such as Jaya Grocer and Uniqlo strengthen mall performance.

Older malls face slower traffic due to e-commerce competition and accessibility issues, but tourism-driven retail around heritage and waterfront areas remains resilient. Despite rising operating costs and weekend road closures, the sector is to remain steady in 2026, with no major new supply.

RESILIENT INDUSTRIAL MARKET DRIVEN BY SME EXPANSION AND NEW LAUNCHES

Melaka’s industrial sector is steady, supported by consistent demand from local SMEs in furniture, food processing, light manufacturing, and packaging. Developers are actively offering ready-made 2-storey terraced and semi-detached factories in Taman Tasik Utama, Gapam, and Serkam, catering to businesses seeking quick expansion with turnkey units. Despite economic uncertainties, including inflation and competitive offers from other states, the market maintains resilience.

Notable new launches include MTD Nexus 28 Industrial Park in Taman Tasik Utama, offering 2-storey semi-detached and terraced factories, Taman Teknologi German in Gapam with 2-storey terraced factories, and Melaka Halal Hub 2.0 in Serkam featuring 2-storey terraced factories. Despite economic uncertainties, the market maintains resilience, reflecting steady industrial demand.

STEADY TOURISM DEMAND AND NEW UPSCALE OPENINGS BOLSTER HOTEL MARKET STABILITY

Melaka’s hotel market remained stable in 2025, supported by steady tourist arrivals. The state recorded about 11 million visitors in the first eight months of the year, reflecting sustained travel demand.

The opening of the five-star Birkin International Hotel in Klebang in July 2025 further strengthened the city’s upscale accommodation supply.

The market is expected to stay stable in 2026, driven by continued tourist arrivals and revenue from banquet events such as weddings and corporate functions. However, rising competition from serviced apartments like Atlantis, Bali Residences, and The Wave operating as Airbnb options will require hotels to maintain competitive rates and strong service standards to sustain performance.

Kuantan, Pahang

KUANTAN INDUSTRIAL MARKET POSITIONED FOR GREATER REGIONAL RELEVANCE

The industrial property market in Kuantan demonstrates structural resilience in 2025, supported by strong investment inflows, its strategic position within the East Coast Economic Region (ECER), and the ongoing development of major infrastructure such as the East Coast Rail Link (ECRL). Total approved private investments surged to RM5.249 billion in 9M 2025, a significant 98.1% year-on-year increase, reaffirming Kuantan's role as a key economic driver for Pahang and the broader ECER.

Kuantan's proximity to Kuantan Port and the Malaysia–China Kuantan Industrial Park (MCKIP) continues to attract significant foreign direct investment. Approved manufacturing investments in Pahang reached RM3.683 billion in 9M 2025, with foreign investors contributing 85.7%. Key contributors include Chinese-led investments in steel, lithium anode batteries, and gold processing, complemented by growing domestic activity in FMCG and petrochemical segments. These developments are solidifying Kuantan's emergence as a resource-driven and export-oriented industrial hub.

Despite strong investment momentum, industrial transaction activity moderated during the year. Transaction volume declined from 152 deals in 9M 2024 to 72 deals in 9M 2025, with industrial land transactions accounting for 47.2% of total activity. However, the total transacted value remained relatively stable at RM340.87 million, reflecting only a slight 3.8% decline. This stability was mainly supported by a 20% increase in industrial land transaction values, highlighting sustained confidence among strategic investors seeking larger industrial plots in the region.

Government-prioritised industrial subsectors, including chemical and petrochemical, automotive, heavy and medium industries, and food manufacturing, continue to gain momentum in Kuantan. The Chemical Industry Roadmap 2030 supports higher-value industrial transformation within the Gebeng Industrial Area.

The government has initiated a new seawater treatment plant at Pantai Gebeng to ensure a reliable water supply for industrial users, bolster operational resilience, and strengthen Kuantan's position as a strategic industrial hub in the years ahead.

Looking ahead to 2026, Kuantan's industrial sector is poised to enter a new phase of growth as enhanced connectivity and an expanding industrial ecosystem begin to translate into real market activity. The progressive rollout of the ECRL and improvements at Kuantan Port are expected to unlock greater supply chain efficiencies, making the Gebeng–MCKIP corridor increasingly attractive to high-value manufacturers and export-oriented industries. These developments are anticipated to drive stronger occupier interest, stimulate new investment commitments, and elevate Kuantan's position as a competitive industrial gateway linking Malaysia's east coast to regional trade routes.

AGRICULTURAL SECTOR DYNAMICS IN PAHANG

At the state level, Pahang remains a key contributor to Malaysia's agriculture sector, particularly in crop production and agri-food sales. While overall transaction volume and value in 9M 2025 slightly softened compared to the previous year, Maran and Bentong districts recorded increases in total transaction value, despite differing volume trends across the two districts.

The increase in transaction value across these districts was supported by a diverse mix of agricultural land types and crop productions. In Maran, growth was driven by estate lands, vacant plots, rubber, oil palm, orchards, and other agricultural uses, reflecting steady demand across both commercial plantations and smaller-scale holdings.

In Bentong, the value uplift was primarily supported by estate lands, oil palm, and durian plantations, highlighting the significance of high-value crops in sustaining land market values.

The state-led initiatives and investment frameworks continued to support the sector's growth and modernisation. The government plans to establish an Artificial Intelligence Data Centre (AIDC) to modernise the marketing of local agricultural products and assist agro-entrepreneurs. The Inisiatif Makmur Pahang (IMP) programme provides targeted support to farmers, livestock breeders, and fishers in districts such as Maran and Bentong. In addition, through the East Coast Economic Region Development Council (ECERDC), the state aims to attract private investment into agriculture and agro-industry, promoting rural economic growth.

Overall, the combination of supportive state policies, ongoing investment efforts, and sustained market activity underscores the continued resilience of Pahang's agricultural sector. These conditions position agricultural land as a stable and relevant segment within the state's property market moving into 2026.

STEADY ACTIVITY IN OTHER PROPERTY SEGMENTS

While Pahang's industrial and agricultural sectors demonstrated strong resilience and investor interest, other property segments maintained steady activity in 9M 2025.

Residential, commercial, and office markets experienced moderate transaction volumes, reflecting a stable market environment. This balance underscores the significance of industrial and agricultural assets in supporting the state's property market.

Kuala Terengganu, Terengganu

RESIDENTIAL PROPERTY DYNAMICS IN KUALA TERENGGANU

The property market in Kuala Terengganu continued to be dominated by the residential sector, though performance varied between landed and high-rise segments. Landed properties recorded increases in both transaction volume and values, while the high-rise segment saw declines in both. This reflects continued strong buyer preference for low-density, family-oriented homes, particularly single-storey semi-detached and detached houses.

Vacant residential plots remained the most active component of the Kuala Terengganu housing market, although transaction volume stayed largely stable compared to last year. Demand continued to be supported by buyers seeking greater flexibility in designing and customising their homes, as well as the appeal of lower initial entry costs relative to completed units. This segment's steady activity reflects the enduring preference for personalised and low-density living environments. However, the total value slightly reduced by 9.2% to RM125.11 million, indicating that while demand remains resilient, buyers are becoming more price-sensitive and selective in their purchases.

Overhang in Terengganu remained minimal, reflecting a healthy absorption rate and a prudent approach by developers. New residential launches in Kuala Terengganu and surrounding districts were predominantly small-scale developments. This continued preference for modestly sized projects suggests that developers are aligning supply with demand, helping to maintain market stability and prevent future inventory build-up.

Residential Performance in Kuala Terengganu

	9M 2025	9M 2024	y-o-y
High-Rise Transaction			
Volume (unit)	123	169	▼ 27.2%
Value (RM million)	16.43	32.41	▼ 49.3%
Landed Transaction			
Volume (unit)	438	401	▲ 9.2%
Value (RM million)	149.50	144.27	▲ 3.6%
Vacant Plots			
Volume (unit)	1,072	1,080	▼ 0.7%
Value (RM million)	125.11	137.77	▼ 9.2%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, CBRE | WTW Research & Consulting

PURPOSE-BUILT RETAIL OVERVIEW

The purpose-built retail segment experienced muted performance in 9M 2025, with no significant transactional activity. The recently completed Mayang Mall recorded an occupancy rate of about 80%, anchored by major tenants such as the 100,000 sq. ft. SOGO department store and the first East Coast Mercato supermarket chain, positioning it as a key lifestyle and retail hub for the city. This development is expected to enhance Kuala Terengganu's retail landscape by offering greater choice and convenience to shoppers.

The opening of Mayang Mall not only adds a modern retail destination to the city but also provides an encouraging backdrop for both established and emerging businesses, particularly in lifestyle, food and beverage, and convenience segments, which continue to be the primary drivers of shopper footfall. Overall, the mall's presence is expected to support a steady, sustainable uplift in the city's retail landscape over the coming year.

STEADY ACTIVITY IN OTHER PROPERTY SEGMENTS

Beyond the residential and retail sectors, other property segments in Kuala Terengganu displayed steady, measured activity throughout 2025, reflecting the city's overall market resilience.

The sustained interest in residential plots and landed homes helped support broader market stability, while commercial, industrial, and tourism-related properties experienced measured activity, highlighting the city's balanced and selective growth.

Kota Bharu, Kelantan

RESIDENTIAL MARKET RESILIENCE AMID OVERHANG CHALLENGES

The Kota Bahru property market continues to be dominated by the residential sector, reflecting its status as a key driver of local real estate activity. Overall residential performance is showing some improvement compared to last year, signalling a gradual recovery and sustained buyer interest. Among the different property types, vacant residential plots remain the most preferred, offering flexibility in designing and customising homes and lower initial entry costs relative to completed units. Detached units are the most sought-after landed properties, while demand for high-rise developments remains minimal, underscoring local preference for landed living.

The residential market saw a significant increase in overhang, rising 674.4% to 2,331 units. This was primarily due to the completion of PPA1M/ PPAM Sireh Residence, a development comprising 2,160 high-rise units with an estimated 19.5% sales rate. This resulted in high-rise properties accounting for 92.6% of total overhang units, with condominiums making up 89.6% and the remainder comprising service apartments.

For landed properties, the overhang remains minimal and is mainly concentrated in 2–3-storey terrace houses, suggesting that while detached units are highly desirable, mid-tier terrace houses are experiencing slower absorption.

While overhang challenges highlight mismatches in supply and demand within the limited market for government servants, Kota Bahru's residential sector demonstrates a resilient foundation, underpinned by steady demand for landed properties and the strategic development of vacant plots in the open market. Although overhang in the open market remains relatively low, the increase within the limited market should be viewed as a reminder for developers to better align supply with local preferences, preventing similar issues in the future.

Residential Performance in Kota Bharu

	9M 2025	9M 2024	y-o-y
High-Rise Transaction			
Volume (unit)	112	88	▲ 27.3%
Value (RM million)	22.21	20.16	▲ 10.2%
Landed Transaction			
Volume (unit)	958	922	▲ 3.9%
Value (RM million)	347.91	314.47	▲ 10.6%
Vacant Plots			
Volume (unit)	1,539	1,323	▲ 16.3%
Value (RM million)	222.57	176.35	▲ 26.2%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, CBRE | WTW Research & Consulting

STABLE PURPOSE-BUILT OFFICE MARKET AMID NEW INSTITUTIONAL SUPPLY

The purpose-built office market in Kota Bharu remains stable, with limited movement expected due to its niche positioning. Market dynamics are steady, and overall demand for office space continues to be modest, largely driven by government offices, local businesses, and financial institutions.

The upcoming Bangunan Gunasama Persekutuan in Bandar Baru Tunjong, a large federal government office complex spanning four 8-storey blocks and roughly 90,000 sq. m. of gross floor area, is set for completion in 2026. The development could reshape the purpose-built office supply landscape in the immediate vicinity. This project introduces substantial institutional-grade space, which may gradually influence private office lease activity nearby, particularly among government-linked occupiers.

STEADY ACTIVITY IN OTHER PROPERTY SEGMENTS

Beyond the residential and purpose-built office sectors, other property segments in Kota Bharu displayed steady, measured activity throughout 2025, reflecting the city's overall market resilience.

The sustained interest in residential plots and landed homes helped support broader market stability, while commercial, industrial, and tourism-related properties experienced measured activity, highlighting the city's balanced and selective growth.

Labuan & Lahad Datu, Sabah

LABUAN

RESIDENTIAL SECTOR GAINS MOMENTUM

The residential sector in Labuan remains active and resilient, especially high-rise residential, driven primarily by the apartment segment. The high-rise residential saw higher transaction volume and value compared to 2024, contributing to the overall market momentum.

Demand for stratified residential units continues to rise, supported by shifting lifestyle preferences and greater affordability amid limited land availability, with buyers increasingly drawn to the convenience, enhanced security features, and comparatively lower entry costs of such properties.

Overhang in the market remains minimal, confined to 41 condominium/ apartment units, unchanged from the previous year, despite an increase of 260 units in total supply during the same period, highlighting healthy market absorption and reinforcing the sector's robust performance.

STEADY ACTIVITY IN OTHER PROPERTY SEGMENTS

Beyond the residential sector, other property segments in Labuan displayed steady, measured activity throughout 2025, reflecting the city's overall market resilience. The improved interest in the residential sector helped support broader market stability, while commercial, industrial, and tourism-related properties experienced measured activity, highlighting the city's balanced and selective growth.

Residential Performance in Labuan

	9M 2025	9M 2024	y-o-y
High-Rise Transaction			
Volume (unit)	352	50	▲ 604.0%
Value (RM million)	77.47	8.72	▲ 788.5%
Landed Transaction			
Volume (unit)	148	130	▲ 13.8%
Value (RM million)	61.83	61.23	▲ 1.0%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, WTWS Research & Consulting

Agricultural Property and Development Performance in the Districts of Lahad Datu, Semporna and Kunak

	9M 2025	9M 2024	y-o-y
Agriculture Property			
Volume (unit)	212	282	▼ 24.8%
Value (RM million)	168.23	269.42	▼ 37.6%
Development Land			
Volume (unit)	189	133	▲ 42.1%
Value (RM million)	103.44	44.34	▲ 133.3%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, WTWS Research & Consulting

LAHAD DATU

AGRICULTURE REMAINS CORE, BUT DEVELOPMENT LAND GAINS MOMENTUM

The property market in the districts of Lahad Datu, Semporna and Kunak continues to be underpinned by its agricultural base, with estate and oil palm lands remaining the primary drivers of activity. While agricultural land transactions moderated in 2025, this reflects a gradual shift in focus, as ongoing efforts to diversify Sabah's economy are encouraging investors to explore industrial, logistics, and downstream processing opportunities beyond traditional plantations.

In Lahad Datu, development land demand has strengthened, supported by strategic initiatives such as the Palm Oil Industrial Cluster (POIC), which is spurring growth in industrial and logistics-related sectors.

Kunak is also seeing rising investor interest, particularly following the announcement of the 107-acre Kunak New Township, a mixed development incorporating commercial, residential and light-industrial components. This project reinforces Kunak's potential as a secondary hub for agro-processing and logistics, given its strategic position between Lahad Datu and Semporna.

Overall, the property sector in the region demonstrates resilience through diversification. While agricultural land remains the backbone of the market, the increasing momentum in development land transactions highlights the district's growing relevance as it positions itself for broader economic growth beyond the plantation sector.

BALANCED ACTIVITY ACROSS OTHER PROPERTY SEGMENTS

Beyond agricultural and development lands, other property segments in Lahad Datu recorded steady activity in 2025. Commercial, industrial, and residential properties saw selective transactions, reflecting cautious but consistent investor interest. Together with rising development land demand, this points to a stable and gradually diversifying market.

Sandakan, Sabah

AGRICULTURE SECTOR REMAINS A KEY DRIVER

The Sandakan, Labuk-Sugut, Tongod, and Kinabatangan localities continue to be among Sabah's key agricultural regions, underpinned by established estates and extensive oil palm plantations. The sector remains a vital contributor to the state's economy, supporting both commodity production and rural livelihoods.

In 9M 2025, the agriculture property market recorded a decline in transaction volume. However, the overall transaction value saw a notable increase of 31.5%, signalling strong demand for larger agricultural land in the region. This growth was primarily driven by estates, vacant land, and oil palm plantations, reflecting continued investor confidence in the long-term prospects of the sector.

The sector's resilience is further supported by government initiatives such as the Rural Agricultural Economic Revolution (RAER) 2025–2030, a state-led programme aimed at revitalising rural agriculture, enhancing productivity, and promoting sustainable agro-based development. These efforts provide strategic backing to the local agriculture industry, encouraging investment, modernisation, and efficient land use across these districts.

Ongoing interest in the agricultural sector, supported by government initiatives, continues to underpin investment and reinforces the long-term growth potential of the sector in Sandakan, Labuk-Sugut, Tongod, and Kinabatangan.

Agricultural Property Performance in the Districts of Sandakan, Labuk-Sugut, Tongod, and Kinabatangan

	9M 2025	9M 2024	y-o-y
Agriculture Property			
Volume (unit)	215	363	▼ 40.8%
Value (RM million)	163.51	124.33	▲ 31.5%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, WTWS Research & Consulting

HOTEL SECTOR GAINS MOMENTUM

The hotel sector in Sandakan has experienced renewed momentum, supported by improved visitor arrivals and growing interest in both leisure and business tourism. This positive trajectory is expected to continue into 2026, driven by strategic developments and infrastructure enhancements that strengthen the state's appeal as a travel destination.

A key development is the planned reopening of the hotel formerly known as Four Points by Sheraton Sandakan, located at Sandakan Harbour Square in the town centre. Scheduled for 1Q 2026, the property will operate under the tentative name Ormond Hotel Sandakan, offering 299 rooms and modern amenities that are expected to attract both domestic and international visitors.

Tourism expansion is further reinforced by the development of Pulau Berhala as a sustainable tourism destination. Under a collaboration between the state government and the private sector, the 168-hectare coastal site, classified as a Class 4 Amenity Forest Reserve under the Sabah Forestry Department, will be developed through a Sustainable Forest Management Licence Agreement. This initiative aims to integrate recreational forest tourism with conservation principles, reflecting a growing market preference for eco-friendly and immersive travel experiences.

Overall, Sandakan's hotel sector demonstrates resilience and adaptability, underpinned by strategic investments and sustainable tourism initiatives, which collectively support its relevance in the evolving hospitality landscape.

BALANCED ACTIVITY ACROSS OTHER PROPERTY SEGMENTS

Beyond the agriculture and hotel sectors, other property segments in Sandakan, Labuk-Sugut, Tongod, and Kinabatangan maintained steady activity throughout 2025. Commercial, industrial, and residential properties recorded selective transactions, reflecting measured but sustained investor interest.

Tawau, Sabah

RESIDENTIAL MARKET REMAINS A KEY DRIVER

Tawau's property market remains primarily driven by the residential segment, supported by consistent demand for landed homes and sustained interest in medium-cost housing near the town centre. Landed residences continue to be the preferred choice, reflecting established lifestyle preferences and the appeal of mature neighbourhoods with accessible amenities.

The medium-cost segment remains the strongest performer, underpinned by affordability factors and steady demand from owner-occupiers. This segment also recorded healthy activity in the sub-sale market, where some degree of bargain hunting was observed for properties in prime residential areas, indicating stable market absorption despite a selective buying environment.

The upper-end segment saw moderate movement, particularly for units priced between RM650,000 and RM950,000, with transactions occurring selectively among purchasers seeking larger homes or upgraded living environments.

Overall, the residential market in Tawau presents a stable outlook, with prices generally holding firm. While external economic uncertainties may weigh on sentiment, underlying demand, particularly within the landed and medium-cost categories, continues to support market stability.

Residential Performance in Tawau

	9M 2025	9M 2024	y-o-y
High-Rise Transaction			
Volume (unit)	11	13	▼ 15.4%
Value (RM million)	1.95	2.57	▼ 23.9%
Landed Transaction			
Volume (unit)	459	457	▲ 0.4%
Value (RM million)	160.45	160.47	▼ 0.02%

Abbreviations: 9M – January to September; y-o-y – year-on-year changes
Source: National Property Information Centre, WTWS Research & Consulting

HOTEL SECTOR STABILISES WITH TARGETED EXPANSION

The hotel sector in Tawau continued to demonstrate stable performance in 2025, supported by consistent demand and competitive room rates. The district's role as a gateway to neighbouring tourism destinations helps sustain occupancy levels across existing accommodation offerings.

Meanwhile, the tourism-centered town of Semporna registered a notable uplift in foreign visitor arrivals, particularly from China, contributing to rising hotel occupancy levels. The completion and opening of Seafest Regency, a 190-room premium hotel, further enhances the area's hospitality offerings and supports its position as a major diving and island-hopping destination.

Hotel supply in Tawau is expected to remain largely unchanged in the near term, with new additions concentrated primarily in Semporna as previously deferred hotel developments recommence. This targeted expansion aligns with the strong tourism-driven demand in the locality.

Beyond traditional hotel offerings, the commercial suite and serviced apartment segment has begun gaining traction, mirroring development trends observed earlier in Kota Kinabalu. In Tawau, Wawasan Bumijaya Sdn Bhd is introducing the locality's first such development, Tropika Suites, a five-storey project comprising 84 commercial suites and 9 retail lots, launched in 1Q 2025. Units are priced between RM720 and RM750 per sq. ft., with built-up areas ranging from 678 to 1,277 sq. ft.

In Semporna, Sawit Kinabalu Property Group is advancing its Phase 2 development with a 14-storey commercial suites tower, offering 488 units with an average built-up area of 350 sq. ft. Designed to serve the rapidly expanding tourism market, the project reflects strong investor confidence in the area's sustained visitor demand.

Infrastructure improvements further reinforce growth prospects for the region. Tawau Airport is currently undergoing a RM130 million upgrade, which will increase its annual passenger capacity from 1.3 million to 2.5 million. With passenger movements already reaching 1.7 million annually, the expansion is expected to enhance regional connectivity and support tourism and hospitality growth in Tawau and Semporna.

BALANCED ACTIVITY ACROSS OTHER PROPERTY SEGMENTS

Beyond the residential and hotel sectors, other property segments in Tawau maintained steady activity throughout 2025, with commercial and industrial properties recording selective transactions and reflecting measured but sustained investor interest.

Bintulu, Sarawak

RESIDENTIAL: SUSTAINING STABILITY DESPITE AFFORDABILITY CONSTRAINTS

Bintulu's residential market remains anchored by the landed segment, which saw a similar transaction volume and a 2.7% increase in value year-on-year (9M 2025: 478 units, RM187.51 million) contributed mainly by the semi-detached category, while overall prices stayed firm amid steady, demand-led activity. Take-up rates improved in the mid-market range, supported by sustained interest in affordable landed homes, positioning the landed residential sector as stable to slightly stronger compared to 9M 2024.

In contrast, the high-rise segment softened, with transaction volume and value for 9M 2025 declining by 17.5% and 11.3%, respectively (9M 2024: 80 units, RM21.19 million; 9M 2025: 66 units, RM18.80 million). This reflects moderated demand for high-rise units, reaffirming buyer preference for landed properties, especially among the owner-occupiers seeking practical, long-term housing.

Overall activity remains focused within the RM200,000 to RM500,000 price band, the core segment of market absorption, supported by a broad base of first-time buyers and genuine occupiers. This mid-market segment reflects steady end-user demand rather than speculation, which is more resilient to economic fluctuations.

In April 2025, Tatau District was officially placed under Bintulu Development Authority (BDA). With this transition, the district is expected to benefit from expanded infrastructure and public services, creating opportunities for developers to introduce additional residential projects. This may subsequently exert upward pressure on land prices within Tatau and its surrounding areas.

The market is expected to stay stable for 2026, with transaction volumes and prices likely to hold firm, underpinned by ongoing demand. Occupancy and take-up rates are expected to remain consistent, with gradual population growth, also in tandem with the growth of major industrial projects. Overall, the market will maintain balance, with stronger growth expected only after 2027.

Nonetheless, affordability challenges persist due to inflation and rising construction costs, constraining first-time buyers. Market absorption may fluctuate, as projects-driven residential demand may result in slower take-up rates once major projects move past their peak. Still, fundamental demand, especially in affordable to mid-range categories, continues to support overall market stability.

RESILIENT GROWTH IN THE SHOPHOUSE SECTOR

The shophouse sector recorded a marked increase in transaction activity, with volume rising by 69.0% from 113 units in 9M 2024 to 191 units in 9M 2025. Similarly, transaction value grew by 51.9%, from RM77.22 million to RM117.29 million over the same period. The growth reflects robust demand and resilience within the sector, supported by stable rental performance and consistent yields.

The outlook for the shophouse segment in 2026 is expected to remain stable across key indicators. Transaction activity is likely to hold steady, with no significant surges or dips anticipated, while prices are expected to remain firm, reflecting continued supply-demand equilibrium. Occupancy levels are projected to stay consistent, with established areas retaining tenants and newer developments gradually attracting interest.

Rental performance and yields are also expected to remain stable, supported by steady tenant demand and a cautious approach from landlords regarding rent adjustments. Overall, the shophouse sector in Bintulu is poised to maintain its resilience, supported by strong fundamentals while tempered by measured investor sentiment.

RETAIL MARKET TRENDS AND OUTLOOK

Bintulu's retail sector saw transaction value rise from RM1.97 million (15 units) in 9M 2024 to RM7.84 million (27 units) in 9M 2025, reflecting higher price per unit. Rental and occupancy remained stable, supported by steady demand for prime units in retail complexes such as Boulevard Mall and The Spring Mall, despite some fluctuations for smaller units. The market favours tenants and buyers, with rising operational costs and competition as ongoing challenges. No new supply was added in 2025.

The sector is expected to remain stable in 2026, underpinned by developer-owned structures, sustained consumer demand, and limited new supply, supporting steady rentals and occupancy levels.

Tiara Seni
Source: WTWY Research

Jepak Bridge
Source: WTWY Research

Bintulu, Sarawak

ROBUST INDUSTRIAL SECTOR

Bintulu's industrial property sector recorded a significant increase in activity, with transaction volume doubling from 44 units in 9M 2024 to 87 units in 9M 2025, with 31.2% increase in transacted value from RM119.65 million to RM157.04 million y-o-y, reflecting improving investor and business confidence, supported by steady demand from SMEs and industrial operators.

Prices and rental rates trended upwards, driven by stronger demand from logistics and related industries. The combined growth in transactions, prices, and rentals points to a positive performance for the industrial sector in 2025.

Several key initiatives introduced in July 2025 are set to accelerate Bintulu's industrial and infrastructure growth.

- Hydrogen-Powered ART Network Announcement: The Sarawak government unveiled plans for a hydrogen-powered Autonomous Rapid Transit (ART) system connecting Bintulu, Kidurong, and Samalaju, supporting the region's transition to a low-carbon industrial cluster.
- Polysilicon Plant Groundbreaking: The RM2 billion OCI Tokuyama semiconductor-grade polysilicon plant in Samalaju began construction, expected to strengthen Bintulu's high-tech industrial hub and create approximately 200 skilled jobs.

Looking ahead to 2026, the industrial property market in Bintulu is expected to remain robust. Transaction activity and occupancy are likely to trend upward, underpinned by ongoing and upcoming mega projects that continue to attract contractors, suppliers, and logistics-related businesses. Mid-range industrial units are expected to see healthy absorption.

Rental performance and yields are also anticipated to strengthen, supported by higher demand and limited new supply in prime locations. The overall outlook for 2026 points to a resilient and steady market with capital values and transacted prices expected to remain largely stable with slight upward potential, making Bintulu's industrial sector attractive to investors seeking long-term income growth and consistent occupancies.

NEW 5-STAR HOTEL ENHANCES BINTULU'S HOSPITALITY SECTOR

Imperial Hotel Bintulu, the city's first 5-star hotel, officially commenced operations on 23 July 2025. The hotel forms part of an integrated development alongside Boulevard Shopping Mall and TGV Cinemas, enhancing the city's hospitality and retail offerings.

OUTLOOK

Key factors driving the 2026 overall property outlook for Bintulu include the ongoing mega projects, such as the Sarawak Methanol Plant, Sarawak Petrochemical Hub and other hydrogen-related ventures, which will continue to support steady property demand, particularly in the housing rental market. Improved infrastructure projects like the Pan Borneo Highway and the Jepak Bridge will also enhance connectivity, and be a catalyst for Bintulu developments, especially housing and commercial, along this corridor.

Imperial Hotel
Source: WTWY Research

Miri, Sarawak

SUSTAINED RESILIENCE IN MIRI'S RESIDENTIAL SECTOR

As of 9M 2025, landed housing in Miri experienced a contraction in transaction activity, with volume and value down 11.9% and 10.4% year-on-year. Nevertheless, unit values increased slightly, and occupancy and take-up rates remained steady, with new launches offering more rental and purchase options.

Non-landed residential units recorded sharper declines, with transaction volume and value falling 25.0% and 45.6% year-on-year. This was attributed to the absence of new supply and continued preference for landed housing among buyers in Miri.

Several new launches strengthened the landed segment in 2025, including Safa Residences under the Parkcity Eastwood master plan, offering 139 terraced and semi-detached units, with the latter priced above RM1 million.

A major township development, the 543-acre Kenyalang Smart City, is underway, incorporating mixed-use components that are expected to transform Miri's property landscape and expand real estate options across various sectors.

For 2026, the residential market in Miri is expected to remain stable, with affordability being the primary constraint. Sustainable, mixed-use, smart, and transit-oriented developments will shape future supply. Demand will remain strong for affordable housing below RM300,000, quality medium- and higher-medium housing, with potential demand for units suitable for short-term rental, supported by a steady flow of visitors from neighbouring Brunei, which consistently accounts for one-third of total visitors to Sarawak.

SUSTAINING MIRI'S INDUSTRIAL STRENGTH THROUGH INFRASTRUCTURE & DIVERSIFICATION

Miri's industrial property market recorded a 9.3% increase in transaction volume, rising from 129 to 141 units year-on-year, while transacted value declined by approximately 21.0%, from RM101.63 million to RM80.33 million.

The launch of Bumijaya Industrial Park Phase 1, comprising 10 semi-detached industrial units, 1 detached industrial unit, 37 vacant industrial lots, and 10 shophouses, contributed to the industrial activity during the year.

Major state-led infrastructure projects are enhancing Miri's connectivity and investment appeal and expected to stimulate further demand for industrial spaces. Key developments supporting the sector include:

- Expansion of the Miri Deep Sea Port which will boost its standing as a logistics and distribution hub in the northern region.
- New infrastructure developments and upgrades such as Miri-Marudi Road, SSLR, Miri Marina Bridge, Airport Upgrade will open up new markets for SMEs.

The industrial property market in Miri is expected to remain stable in 2026. However, greater industrial diversification is needed in the medium to long term, as over-reliance on the oil and gas sector may limit sustainable growth.

STEADY PERFORMANCE IN MIRI COMMERCIAL PROPERTY

The commercial property market in Miri held steady in 2025, aligning with prior forecasts, and continues to demonstrate greater stability compared with other property segments in the city.

Transaction volume and value were largely maintained throughout 2025, with transacted prices remaining steady. More business openings are also observed for 2025 suggesting an uptick in commercial market activities.

The shop office sector continues to be a steady performer in Miri's property market. Its resilience is supported by strong fundamentals and non-speculative demand from the local business community, further reinforced by cross-border spending from Bruneian visitors and downstream commercial activities linked to the oil and gas industry.

On-going challenges presented are competition from online businesses, rising operating costs, oversupply in certain locations and ageing stock.

SECTORAL TRENDS IN MIRI PROPERTY MARKET 2026

The landed residential and industrial sectors are projected to see stronger performance in 2026, while the shop office and retail sectors are expected to remain stable.

High-rise residential is constrained by local preference for landed housing, softer investment yields, and oversupply in certain segments while the hotel sector faces pressure from high operating costs, which may limit profitability, as well as competition from alternative accommodations such as Airbnb and budget lodgings towards the mid segment.

Sibu, Sarawak

SIBU RESIDENTIAL MARKET STABLE AMID PRICE PRESSURES

Sibu's landed property segment in the secondary market recorded softer activity in 9M 2025, with transaction volume down 12.5% (1,131 units) and value falling 13.4% (RM336.14 million) year-on-year. Occupancy rates for completed developments remained fairly stable, although units generally took time to be absorbed.

In the primary market, landed residential properties continued to show steady price growth in 2025. Affordability remains a key constraint, especially for younger buyers and first-time homeowners.

The high-rise residential sector experienced sharper declines, with transaction volume and value falling 24.4% (45 to 34 units) and 24.1% (RM16.77 million to RM12.73 million) respectively, year-on-year, as of 9M 2025. With increasing land costs in urban areas, new high-rise projects are emerging with varying unit sizes to enhance affordability and cater to modern lifestyles. However, the overall apartment market appears to be reaching saturation, creating a more competitive buyer- and tenant-driven market. Demand for high-rise units remains limited compared with landed properties.

Increasing prices of landed properties may slow overall market absorption in 2026, with unsold units taking longer to offload. Nevertheless, housing remains a relatively stable investment and a potential hedge against inflation. Overall, Sibu's residential market is expected to remain stable, supported by ongoing demand despite rising prices and affordability pressures.

SHOP-OFFICE MARKET DYNAMICS

Transaction activity for Sibu's shop-office sector softened in 9M 2025, with volume dropping 20.8% from 366 units in 9M 2024 to 290 units, and transaction value declining 20.7% from RM149.50 million to RM118.62 million. This reflect a softening demand amid adequate supply.

No significant new shop-office developments were launched in 2025. Despite that, the shop-office sector showed stable performance, supported by steady demand in sub-sale units, particularly prime properties and those occupied by established tenants.

The outlook for the shophouse sector in 2026 appears mixed. Demand for units in prime areas should remain steady, supported by limited supply and active business activity, while properties in secondary locations may experience slower absorption due to weaker investor and tenant interest.

STABILITY IN THE RETAIL SECTOR

Retail unit transactions in Sibu showed stronger values in 9M 2025, increasing from RM0.64 million to RM1.43 million, despite a similar number of units sold, indicating higher price per unit.

The retail sector maintained a positive trajectory in 2025, supported by steady consumer spending and sustained demand from the F&B segment. Healthy business performance and ongoing tenant interest helped stabilise occupancy levels and maintain rental yields, particularly in established retail locations. Average rentals rose modestly from RM12 to RM13 per sq. ft., with yields holding steady at 6%

The outlook for 2026 remains positive, with established shopping complexes such as Star Mega Mall, Delta Mall, and Wisma Sanyan expected to continue performing well, in the absence of new malls.

IMPROVED MOMENTUM IN THE INDUSTRIAL SECTOR

Activity in the industrial sector picked up markedly in 9M 2025, driven by economic recovery and expanding SME and light industrial operations. Total volume rose from 73 units to 135 units (84.9%) and value increased from RM48.49 million to RM82.85 million (70.9%) year-on-year. Supply and demand in the market remain relatively balanced, with prices trending upward.

Despite this positive momentum, Sibu's industrial base remains heavily reliant on traditional timber and palm oil activities, with limited foreign investor participation. Greater industrial diversification and increased foreign direct investment will be needed to support sustainable long-term growth.

For 2026, the industrial property market is expected to maintain its momentum, supported by continued demand and stable prices. The completion of the Pan Borneo Expressway has enhanced Sibu's regional connectivity, reinforcing its position as a logistics and transportation hub for inland and suburban areas of Central Sarawak.

MODERATE GROWTH IN THE TOURISM SECTOR

The average daily room rate for 3- to 5-star hotels in 2025 rose slightly to RM181 per night, up from RM177 in 2024, while occupancy edged down to 51% from 53.2% year-on-year.

Sibu's tourism sector continues to perform at a moderate pace, supported largely by domestic travellers. The city's central location in Sarawak reinforces its role as a convenient stopover for road travellers journeying between major hubs such as Kuching and Miri.

Looking ahead to 2026, the tourism industry in Sibu is expected to remain largely stable, with no major developments anticipated in the near term.

SIGNIFICANT NEW LAUNCHES:

LANDED & HIGH-RISE RESIDENTIAL

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
KLANG VALLEY							
Elmina Ridge 2	Shah Alam	Sime Darby Property	2-T	1,680 – 1,820	2,274 – 2,697	145	1.42 million – 2.14 million
			2-C	2,520	2,752	52	1.97 million – 2.22 million
			2-SD	3,200	3,288	24	2.49 million – 3.86 million
Elysian	Setia Alamsari	S P Setia	2-D	5,830 – 6,000	3,222 – 3,295	18	2.44 million – 3.30 million
			2-SD	3,200 – 4,160	2,946 – 3,159	22	1.84 million – 2.27 million
Sapphire Residence @ Diamond City	Semenyih	Mayland Venue Sdn Bhd	2-T	1,400	2,104 – 2,139	136	982,000 – 1.08 million
			3-TH	N/A	1,390 – 1,473	220	658,000 – 784,000
			2-D	3,750 – 4,675	2,920 – 3,583	93	1.83 million – 2.51 million
Impira (Phase 1)	M Legasi, Bandar Sri Kesuma	Mah Sing	2-T	1,200 – 1,400	1,555 – 1,759	330	751,080 – 1.03 million
Allegro	Symphony Hills, Cyberjaya	UEM Sunrise	2-SD, 3-SD	2,880 – 3,760	2,866 – 5,115	68	1.69 million – 2.95 million
The Nine	Elmina Green, City of Elmina	Sime Darby Property	2-T	1,600	2,000 – 2,342	99	930,888 – 1.64 million
Adira (Phase 3)	Bandar Bukit Raja	Sime Darby Property	2-T	1,500	1,910 – 2,174	82	892,000
Soren	Suria Hill, Puncak Alam	IJM Land	2-T	1,200	1,606 – 1,744	142	580,000 – 797,000
Andara	Ara Damansara	Sime Darby Property	3-SD	3,348 – 5,822	4,139 – 5,112	20	3.45 million – 4.37 million
PENANG							
Setia Suria (Phase 2)	Kepala Batas	S P Setia	1-T	1,430	1,189	179	From 525,600
Everine @ Eco Sun	Batu Kawan	Ecoworld	2-T	1,320	1,739 – 1,912	264	From 745,000
Embun Hills	Bukit Mertajam	Paramount Property	2-T	1,540	2,230	95	From 803,000
			2-C	2,450	2,509	92	From 957,000
			2-SD	2,625	2,518	14	From 1.19 million
Fera & Senna (Phase 3)	Andaman Island	E&O	3-T	1,798-3,090	3,615 – 5,173	22	3.86 million – 6.40 million
			3-SD	3,154-4,291	4,637 – 5,337	8	4.88 million – 6.21 million
Viluxe II: Courtyard Collection	Batu Kawan	Aspen Group	2.5-T	1,300 – 2,890	2,550 – 3,605	61	1.30 million – 2.60 million
Taman Perdana Putera	Simpang Ampat	SA Jade Dev. Sdn Bhd	2-T	1,320 – 1,650	1,900	63	645,000 – 828,400
Scientex Jawi	Sungai Jawi	Scientex (Skudai) Sdn Bhd	2-T	960	1,173	267	330,800 – 494,500
Lavender Park	Simpang Ampat	Palmington Sdn Bhd	2-T	1,098 – 3,014	1,800 – 2,422	204	693,000 – 917,000
Taman Simpang Ampat	Simpang Ampat	GUH Development Sdn Bhd	2-T	1,200 – 1,314	1,776	61	648,000 – 957,000

Abbreviations: C – Cluster; D – Detached; SD – Semi-Detached; T- Terraced; TH – Townhouse; sq. ft – square feet; N/A – no info available
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
JOHOR BAHRU, JOHOR							
Honeydale Residence	Taman Impian Emas	Gunung Impian Development Sdn Bhd	2-C	2,380	2,185	88	890,000 – 1.26 million
Aurora Resort (Phase 1)	Iskandar Puteri	Country View Resources Sdn Bhd	2-T	1,800 – 3,759	2,833 – 2,834	270	1.17 million – 2.46 million
Laman Citra (Phase 2)	Gelang Patah	Splendid Pavilion Sdn Bhd	2-T	1,540 – 1,650	2,067 – 2,271	262	892,800 – 1.44 million
Neighbourhood 8 (Areca 1 & Canna 1) (Phase 2)	Bandar Dato Onn	JLG Land Berhad	2-T	1,400 – 1,680	1,701 – 2,799	88	782,000 – 1.31 million
KSL Pulai Bestari	Skudai	Bintang-bintang Development Sdn Bhd	2-T	1,540	2,050	183	820,000 – 1.33 million
Sapphire 3	Mount Austin	Austin Senibong Development Sdn Bhd	2-C	2,240	2,550	72	1.22 million – 1.56 million
			2-SD	3,540	3,589	4	1.92 million – 2.13 million
Clover (Taman Pulai Mutiara 2)	Pulai	Amber Land Berhad	2-C	2,240	2,076	248	698,737 – 914,611
			2-SD	4,340	2,926	8	1.01 million – 1.09 million
Meridin East (Jasmine) (Phase 1C)	Pasir Gudang	Meidin East Sdn Bhd	2-T	1,400	1,714	155	678,000 – 897,000
Senadi Hills	Iskandar Puteri	Banar Nusajaya Development Sdn Bhd	2-T	1,540	2,197 – 2,330	75	843,000 – 1.27 million
Bandar Layangkasa (Phase 4)	Pasir Gudang	Parkland City Sdn Bhd	2-T	1,400	1,798	110	630,000 – 773,000
Hundred Trees	Masai	Kimlun Land Sdn Bhd	2-SD	4,000	3,294 - 3,751	60	1 million – 1.3 million
Taman Idaman 2 @ Pontian	Pontian	Bond Land Sdn Bhd	2-T	1,540	2,156	40	550,000 – 780,000
Taman Seri Semerah 2	Pontian	Weeco Kemajuan Sdn Bhd	1-SD	3,256	1,851	4	535,500 – 643,680
			2-T	1,540	2,260 – 2,648	21	501,500 – 814,900
Taman Mesra Indah 3	Pontian	Simpang Maju Enterprises Sdn Bhd	1-D	5,850	1,647	1	745,000
			1-SD	4,130	1,378	14	605,500 – 696,800

Abbreviations: C – Cluster; D – Detached; SD – Semi-Detached; T- Terraced; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
SEREMBAN, NEGERI SEMBILAN							
Suria Heights	Bandar Sri Sendayan	BSS Development Sdn Bhd	2-C	3,315 – 4,801	3,450	15	1.42 million – 2.08 million
Nova S2 Heights	Seremban 2 Heights	Seremban Two Holdings Sdn Bhd	2-SD	3,601 – 7,580	3,370	64	1.78 million – 2.66 million
			2-D	6,088 – 7,888	4,247	9	3.01 million – 3.28 million
Arina Bandar Ainsdale	Labu	Sime Darby Property (Ainsdale) Sdn Bhd	1-T	1,402 – 4,100	1,010 – 1,138	123	431,888 – 765,888
Enstek Heights	Bandar Baru Enstek	New Times Development Sdn Bhd	1-T	1,540 – 3,056	1,430 – 1,480	145	459,900 – 684,600
Taman Gadong Jaya	Labu	MJ Capital Sdn Bhd	1-T	1,303 – 2,950	1,010 – 1,257	77	313,600 – 591,427
Eka Heights – Zeira & Aleira	Bandar Sri Sendayan	Matrix Concepts Sdn Bhd	2-T	1,400 – 3,057	2,166 – 2,595	169	583,194 – 1.01 million
Laman Sendayan – Valora	Bandar Sri Sendayan	Matrix Concepts (NS) Sdn Bhd	2-T	1,400 – 3,391	1,601 – 1,861	100	427,500 – 765,060
Nada Alam – Adena	Mantin	Sepang Cemerlang Sdn Bhd	2-T	1,540 – 6,325	2,628 – 3,720	157	740,000 – 1.68 million
Sekata Sri Mawar	Mantin	PTT Development Sdn Bhd	2-T	1,200	1,800	40	From 550,000
Taman Zenaida	Seremban 3	Federal Resources Sdn Bhd	2-T	1,399	2,123	38	From 532,800
Laman Sendayan – Meria & Elaria	Bandar Sri Sendayan	Matrix Concepts (NS) Sdn Bhd	2-T	1,400 – 3,488	2,142 – 2,831	161	547,999 – 1.06 million
Bayu Sutera – Melora	Bandar Sri Sendayan	BSS Development Sdn Bhd	2-T	1,500 – 3,434	2,498 – 3,102	96	697,944 – 1.23 million
Eka Heights Precinct 2A	Bandar Sri Sendayan	Matrix Concepts Sdn Bhd	2-T	1,540 – 5,080	2,315 – 2,741	206	660,888 – 1.23 million
Nada Embun	Seremban 2	Cengkam Kota Sdn Bhd	2-T	1,195 – 2,906	2,064 – 2,270	122	598,000 – 956,750
Phase R2 (C): Emilia 3	Nilai Impian	Sime Darby	2-T	1,402 – 2,920	1,796 – 1,851	110	648,888 – 1.03 million
Sutera (Phase 2 @ S2 Heights Aman)	Seremban 2 Heights	Seremban Two Holdings Sdn Bhd (IJM)	2-T	1,431 – 2,813	1,949 – 2,106	104	798,800 – 1.29 million
Iringan Bayu (Phase 15A & Phase 15B)	Mambau	Aspect Synergy Sdn Bhd	2-T	1,300 – 2,730	1,808 – 2,120	427	477,000 – 775,000
Iringan Bayu (Phase 16, Aleria)	Mambau	Aspect Synergy Sdn Bhd	2-T	1,410 – 2,927	1,947 – 3,208	212	525,000 – 859,000
The Hill Residence 2	Seremban	Malton Development Sdn Bhd	2-SD	2,550 – 7,084	2,329 – 4,269	56	967,000 – 2.16 million

Abbreviations: C – Cluster; D – Detached; SD – Semi-Detached; T- Terraced; sq. ft – square feet
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Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
MELAKA							
Taman Impiana Kesang	Kesang	Teladan Setia Development Sdn Bhd	1-T	1,679	1,558	168	320,000 – 503,279
Taman Gapam Perdana	Jalan Gapam	Riverwell Resources Sdn Bhd	1-T	1,960	1,472	194	400,000 – 630,200
			2-T	1,960	2,441	82	600,000 – 768,000
Taman Rembia Indah	Rembia	Swiss Reliance Sdn Bhd	1-T	1,539 – 1,647	1,200 – 1,287	271	359,000 – 380,000
Taman Bukit Durian Permai	Bukit Lintang	Keris Impian Sdn Bhd	1-T	1,647 – 1,690	1,102	42	317,000 – 322,000
Taman Krubong Heights Presint Pelangi 3	Krubong	PB Realty Sdn Bhd	2-T	1,539	2,560	82	From 606,800
			2-SD	3,197 – 4,219	3,444 – 3,724	54	938,800 – 1.07 million
Taman Pandan Jaya Seksyen 1	Balai Panjang	J & E Jayabina Sdn Bhd	2-T	1,399 – 1,593	1,518 – 1,618	22	431,000 – 495,500
Taman Tambun Perwira	Durian Tunggal	Galaxy Grace Sdn Bhd	1-T	1,399 – 1,593	990 – 1,089	37	291,000 – 322,000
Taman Nuri Heights	Durian Tunggal	Panglima Juara Sdn Bhd	2-C	2,163 – 3,852	2,140	31	489,000 – 612,000
Taman Tiang Dua Bestari	Tiang Dua	Kirana Maksima Sdn Bhd	1-T	1,540	1,087	48	368,000 – 523,483
			1-SD	3,200	1,496	18	480,000 – 822,000
Taman Cheng Murni	Cheng	Kukuh Bina Development Sdn Bhd	2-T	1,430 – 1,540	1,894 – 2,101	113	620,000 – 970,000
Taman Cheng Setia	Cheng	KK Frontiers Development Sdn Bhd	1-T	1,400	936	36	From 365,000
			2-T	1,539 – 1,744	1,903	50	538,000 – 553,000
BATU PAHAT, JOHOR							
Taman Bukit Indah	Off Jalan Tanjung Laboh	Parkland Global Sdn Bhd	2-T	1,800 – 4,089	2,311	207	775,000 – 992,650
Taman Indah Jaya	Ayer Hitam	Superior Property Development Sdn Bhd	2-T	1,650 – 4,406	2,529 – 2,763	21	636,000 – 970,440
			2-SD	3,825 – 8,192	3,420	28	958,000 – 1.39 million
IPOH, PERAK							
West Park	Bandar Baru Sri Klebang	Wiser Access Sdn Bhd	1-SD	3,200	1,668	14	603,800 – 669,800
			2-C	2,275	2,099 – 2,347	44	627,800 – 835,800

Abbreviations: C – Cluster; SD – Semi-Detached; T- Terraced; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
ALOR SETAR, KEDAH							
Taman Lang Aman	Ambangan Heights	OSK Group	Type 1				
			2-T Intermediate	1,399	1,979	142	566,942 – 578,706
			2-T End unit	1,399	1,979	2	From 592,824
			2-T Corner Unit	2,099 – 4,037	1,979	23	644,589 – 731,648
			Type 2				
			2-T Intermediate	2,196	2,271	26	From 602,236
			2-T End unit	2,197	2,271	1	628,118
			2-T Corner Unit	3,305 - 4,284	2,271	3	698,706 – 743,412
KOTA BHARU, KELANTAN							
Taman Kota Jembal (Phase 3)	Kota Bharu	SPP Development Sdn Bhd	1-SD	3,498 – 5,038	1,669	16	564,445 – 602,223
Taman Kota Jembal (Phase 5)	Kota Bharu	SPP Development Sdn Bhd	1-D	4,768 – 7,998	1,670 – 1,738	33	616,667 – 706,667
Taman Kota Jembal (Phase 6)	Kota Bharu	SPP Development Sdn Bhd	1-T	1,680	1,249 – 1,302	35	324,500 – 461,450
			2-T	1,680	1,647 – 1,658	12	512,600 – 688,160
KUALA TERENGGANU, TERENGGANU							
Taman Seri Kertih (Phase 1)	Bandar Baru Kertih	Perbadanan Memajukan Iktisad Negeri Terengganu	1-T	N/A	1,200	36	263,000 – 304,000
Taman Koperat Impian	Kampung Alor Lintah, Kubang Bemban	Konsortium Perumahan Rakyat Terengganu Sdn Bhd	1-T	1,399 – 3,724	1,036 – 1,291	96	248,000 – 318,400
Desa Seri Rahmah	Off Jalan Lapangan Terbang, Kuala Nerus	KP Beta Solution Sdn Bhd	2-T	1,711 – 2,917	920	20	300,000 – 450,000
					1,081		
					1,598		
Taman Kuala Terengganu Golf Resort (Phase 6)	Tok Jembal, Kuala Nerus	UDA Land (EAST) Sdn Bhd	2-D	6,405 – 7,083	2,150	18	1.07 million – 1.12 million

Abbreviations: D – Detached; SD – Semi-Detached; T- Terraced; sq. ft – square feet; N/A – no info available
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
KUANTAN, PAHANG							
Perumahan Seri Mahkota Maju	Seri Mahkota Maju	Mega 3 Housing Sdn Bhd	1-T	1,540	1,243	244	From 259,800
			1-SD	3,185 – 3,430	1,258	14	From 350,000
La'Indera Palma	Indera Sempurna	Lagenda Properties	1-T	1,300 – 1,430	880	1,399	From 188,000
Summer Vale	KotaSAS	Wawasan Intact	1-T	1,430	1,281 – 1,357	296	350,000 – 481,200
Palm Hill	KotaSAS	Wawasan Intact	1-T	1,820	1,527 – 1,607	190	422,223 – 555,823
Hermoso (Phase 3 & 4)	Permau Jaya, Tg. Lumpur	Tunas Land Sdn Bhd	2-T	1,760 – 2,200	1,760	47	From 641,800
Pelindung Height (P1BP4)	Pelindung Heights	UDA Land (East) Sdn Bhd	2-SD	3,120	2,341	12	From 1,053,374
Mahkota Villa	MGCC Indera Mahkota	MGCC Properties	2-SD	3,200	3,231	32	From 895,000
KOTA KINABALU, SABAH							
Residensi Rimbayu (Phase 1)	Jalan UMS	The VTS Group	2-T	From 1,069	1,030	158	From 588,848 Bumiputera Unit
V24 (Phase 1B, Stage 3A 3B)	Sepangar	K.K.I.P. Sdn Bhd	2-T	From 1,615	From 1,854	64	From 749,876
Prima Sumundu (Phase 3)	Penampang	Prima CL Sdn Bhd	2-T	From 2,052	From 1,427	37	From 798,000
Fabulous	Penampang	Fabulous Nexus Sdn Bhd	2-T	From 1,358	From 1,925	88	From 1.09 million
SANDAKAN, SABAH							
Taman Sri Gum Gum	Off Mile 16, Jalan Labuk	Super Majestic Sdn Bhd	2-T	1,160 – 3,160	1,040	70	350,000 – 509,961
Taman Suria Jaya (Phase 1)	Off Jalan Lintas Sibuga	Real Continental Sdn Bhd	2-T	1,206 – 2,333	1,102	120	500,000 – 606,306
Taman Sungai Kayu	Off Jalan Airport Perimeter	Pembinaan T&T Maju Sdn Bhd	2-T	1,275 – 4,222	1,015	157	430,000 – 607,000
Awana Mas Residence (Phase 2)	Off Jalan Airport	BMG Global Sdn Bhd	2-T	1,461 – 3,555	1,252	88	488,000 – 628,000
			2-SD	3,345 – 6,741	1,886	14	998,800 – 1.07 million
TAWAU, SABAH							
Mina Height	Jalan Sin On	Illumina Sdn Bhd	2-SD	2,804 – 4,619	1,885	10	1.33 million – 1.81 million
Aura	Jalan Sin On	Profound Enterprise Sdn Bhd	2-SD	3,000	2,300	4	From 1.38 million
Taman The Weld (Phase 2)	Jalan Sin On	Rangkaian Jasa Sdn Bhd	2-SD	2,975 – 5,223	3,395 – 3,971	38	1.49 million – 1.96 million

Abbreviations: SD – Semi-Detached; T- Terraced; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
KUCHING, SARAWAK							
APEX 313 (Phase 1)	Jalan Kampung Tanjong Bako	Yung Seng Development Sdn Bhd	2-T	1,765 – 4,437	1,915/ 2,317 – 2,653	77	755,500 – 985,500
Ava Sapphire (Phase 1)	Jalan Taman Pandan Jaya	Zuragaya Sdn Bhd	1-T	1,817 – 4,449	926 – 931	17	438,000 – 598,000
			2-T	1,821 – 5,041	1,888 – 1,914	28	578,000 – 768,000
Ava Sapphire (Phase 2)			1-T	1,817 – 5,189	926 – 931	35	438,000 – 588,000
DreamVille (Phase 1)	Off Jalan Bako	BT Tanah Sdn Bhd	2-T	1,817 – 5,189	1,410 – 1,528	20	600,000 – 858,000
			2-SD	4,366 – 6,104	1,776	8	878,000 – 998,000
Lot 1256 & 1257 (Parent Lot 1110) Blk 224 KNLD	Lorong Janting 5E1	Harmony Greenfield Construction Sdn Bhd	2-T	1,996 – 6,623	2,256 – 2,303	5	843,300 – 1.11 million
Matang 48	Off Jalan Matang	Fifty Six Group	1-T	2,078 – 4,823	973	48	447,000 – 588,000
Matang Ville 2	Off Jalan Matang	Bina Daya Lestari Sdn Bhd	1-T	2,218 – 5,738	995/ 1,125	6	468,100 – 686,800
Mellow 41	Jalan Kopodims	Fifty Six Group	1-T	1,826 – 6,061	959	39	446,000 – 664,000
			1-SD	2,998 – 3,490		2	563,000 – 576,000
Sejijak Mewah 1	Jalan Sejijak	Fifty Six Group	1-T	1,847 – 4,427	1,117	30	433,000 – 565,000
			1-SD	3,072 – 3,137		2	541,000 – 547,000
Taman Green Field Elite	Jalan Taman Green Field	Idaman Prima Sdn Bhd	1-T	2,148 – 4,388	938 – 1,115	20	441,300 – 572,800
			2-T	1,996 – 3,394	1,646 – 1,658	9	598,300 – 675,600
Taman Sinarmas (Phase 2)	Jalan Akses FAC	Sinarmas Land Sdn Bhd	1-T	1,874 – 5,394	1,558/ 1,911 – 2,449	49	509,000 – 750,000
The Gables	Jalan Batu Kawa	Lee Onn Development Sdn Bhd	2-SD	3,381 – 5,965	2,673 – 2,832	17	1.59 million – 1.80 million
Matang Vista	Jalan Kopodims	UrbanPro Development Sdn Bhd	1-T	1,795 – 4,105	980 – 1,195	48	450,000 – 553,000
Taman Cascadia Avenue	Jalan Belatok	Bina Daya Lestari Sdn Bhd	1-T	1,874 – 5,285	1,589 – 2,143/ 2,452	41	458,850 – 702,650
Golden Palm 2	Off Jalan Kuching – Serian	Hong Seng Construction	2-T	1,652 – 5,778	1,720 – 1,918	75	569,000 – 998,000
Kensho Townhouse 2	Lorong Pines Square 2c	Lee Onn Development Sdn Bhd	TH	N/A	1,229 – 1,771	216	568,000 – 824,000
Miltonia Residence Co Home	Jalan Sungai Moyan	Ascott Properties Sdn Bhd	TH	N/A	989 – 1,103	56	398,000 – 458,000
The Green	Jalan Field Force Batu Kawa	UrbanPro Development Sdn Bhd	TH	N/A	1,426/ 1,630 – 2,181/ 2,495	94	651,020 – 935,497
Saradise Dreams	Off Jalan Stutong, Saradise	Monarda Sdn Bhd	TH	N/A	1,232 – 1,326	8	932,100 – 990,100

Abbreviations: SD – Semi-Detached; T- Terraced; TH – Townhouse; sq. ft – square feet; N/A – no info available
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: Landed Residential

Projects	Location	Developer	Type	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
MIRI, SARAWAK							
Kan Jia 13	Desa Senadin	Motif Permata Holding Sdn Bhd	1-T	1,766 – 3,498	938 – 1,343	88	398,000 – 540,500
			1-SD	3,165 – 3,967	1,343	8	608,000 – 618,500
Safa @ Parkcity Eastwood	Off Jalan Miri – Bypass	Pantai Bayu Indah Sdn Bhd	2-T	1,639 – 6,366	1,972 – 3,481	123	596,000 – 1.19 million
			2-SD	3,678 – 5,049	2,354	16	1.01 million – 1.11 million
Saujana Impian Phase 2	Lopeng – Bypass	Dragon Cove Development Sdn Bhd	2-T	1,959 – 5,929	2,034 – 2,175	52	668,000 – 988,000
Seri Jaya	Lutong – Kuala Baram	Earth Vista Sdn Bhd	1-T	1,731 – 3,707	938 – 1,240	64	378,000 – 535,500
Sun Sky Avenue II	Luak	Centerite Development Sdn Bhd	1-T	1,661 – 3,802	880 – 1,319	30	458,000 – 638,000
			1-SD	3,406 – 3,760	1,323	6	678,000 – 688,000
			1-D	7,364 – 9,315	1,501	2	998,000 – 1.10 million
			2-T	1,661 – 3,884	1,561 – 1,955	61	628,000 – 778,000
Tropical Residence	Luak	N/A	1-T	2,108 – 4,887	1,129 – 1,433	22	488,000 – 728,000
			1-SD	3,550 – 4,456	1,383	4	728,000 – 768,000
			2-T	2,108 – 4,221	1,660	18	628,000 – 788,000
			2-SD	3,467 – 3,838	1,902	6	938,000 – 968,000
Amfield Lopeng	Lopeng	Amfield Construction & Development Sdn Bhd	2-T	2,034 – 4,650	1,827 – 1,924	25	678,000 – 848,000
Amfield Tanjung	Tanjung	Amfield Construction & Development Sdn Bhd	2-T	1,766 – 4,198	1,813 – 2,291	20	668,000 – 938,000
			2-SD	5,159 – 6,097	2,527	6	Landowner units
Regency Park Ph3	Off Jalan Miri – Bypass	Amerflex Sdn Bhd (HASS Group)	2-SD	3,841 – 3,894	2,687	20	1.29 million – 1.30 million

Abbreviations: SD – Semi-Detached; T- Terraced; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: High-Rise Residential

Projects	Location	Developer	Type	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
KLANG VALLEY						
CloutHaus (Tower 2)	KLCC	TA Global	Serviced Apartment	549 – 1,216	615	1.98 million – 4.38 million
Hanaz Suites	KLCC	EXSIM Group	Serviced Apartment	323 – 657	98	1.32 million – 1.68 million
SJCC East One	SS 16, Subang Jaya	Sime Darby Property	Serviced Apartment	682 – 1,435	926	738,000 – 1.71 million
Parkside Residences @ Setia Federal Hill	Bangsar	SP Setia	Serviced Apartment	485 – 1,325	613	795,000 – 2.14 million
The Skies	Maluri	Shayher Group	Serviced Apartment	550 – 800	303	588,000 – 1.00 million
Bamboo Hills Residences (Tower C)	Bamboo Hills	UOA Group	Serviced Apartment	603 – 904	881	586,000 – 983,000
Luminar Residence	Federal Avenue, Subang Jaya	BRDB Developments	Serviced Apartment	549 – 1,389	751	377,000 – 1.06 million
Armani Hallson	KLCC	Armani Group	SOHO	406 – 1,182	2,215	From 1.10 million
SEREMBAN, NEGERI SEMBILAN						
Sempurna Residences	Nilai	Sunrich Victory Sdn Bhd	Serviced Apartment	576 – 795	1,266	299,000 – 470,000
Ikon Residensi, Seremban 2	Seremban 2	RB Land Sdn Bhd	Serviced Apartment	474 – 1,184	778	355,800 – 681,800
IPOH, PERAK						
Raffles 188	Taman Golf, Ipoh	Raffles World Sdn Bhd (KBY Group)	Condominium	712 – 1,174	188	462,800 – 781,580
Anderson Residence	Lebuh Cator, Ipoh City Center	A Tech Properties Sdn Bhd	Condominium	516 – 884	1,290	225,300 – 402,400
The Santorini @ Botani (Pangsapuri Raflesia)	Bandar Seri Botani	Miclebina Properties Sdn Bhd	Condominium	900 – 1,959	1,146	170,520 – 720,000
ALOR SETAR, KEDAH						
Residensi Harmoni	Amanjaya, Sungai Petani	Harmoni Berkat Sdn Bhd	Apartment Type B/ B1	1,001	83	374,538 – 450,000
			Apartment Type C	979	11	382,480 – 446,000
			Penthouse Type D	1,991	6	664,050 – 699,000
			Penthouse Type E	1,969	2	656,925 – 691,500
The Tenz	Simpang Kuala, Alor Setar	Imperior Group	Serviced Apartment Type 1	775	104	348,800 – 507,800
			Serviced Apartment Type 2A	893	104	433,800 – 592,800
			Serviced Apartment Type 2B	882	104	422,800 – 581,800
			Serviced Apartment Type 3	1,582	15	682,800 – 827,800
			Serviced Apartment Type 4	1,150	22	523,800 – 616,800

Abbreviation: SOHO – Small Office Home Office; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: High-Rise Residential

Projects	Location	Developer	Type	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
PENANG						
Silkspring Residence	Butterworth	Eco Summit Sdn Bhd (Airmas Group)	Condominium	1,400	148	530,000 – 560,000
PIX 1 Residence	Bayan Baru	Ideal Property	Condominium	970 – 1,300	748	From 690,000
Tuan Pavilion	Air Itam	M Summit	Condominium	1,172 – 1,592	280	685,000
Eight & Eight Condominium	Tanjung Tokong	UDA Land (North) Sdn Bhd	Condominium	885 – 1,140	600	690,000 – 1.06 million
Altus Residency	Prai	G Land Development (Huayang)	Condominium	1,295 – 2,802	148	736,000 – 1.23 million
Maris	Andaman Island	E&O	Condominium	979 – 1,356	516	From 950,000
Merione	Gelugor	Jelutong Development Sdn Bhd (IJM)	Condominium	1,055 – 1,206	145	1.42 million – 1.94 million
Setia SV 2	Jelutong	Kay Pride Sdn Bhd (SP Setia)	Condominium	1,085 – 1,652	268	1.07 million – 1.69 million
Westin Residences	Gurney Drive, Georgetown	Macrovest Sdn Bhd (VST Group)	Condominium	1,033 – 3,670	498	From 2.06 million
The Lightwater Residence	Gelugor	IJM Perennial Development Sdn Bhd	Condominium	1,152 – 3,186	262	From 2.39 million
The Fame	Machang Bubok	TF Land Sdn Bhd	Serviced Apartment	958 – 1,345	192	468,000 – 655,000
Forescape @ Metrioplace	Batu Kawan	Metrio Jaya Development Sdn Bhd (Metrio Group)	Serviced Apartment	901 – 1,098	398	500,000
Seiras Residences	Batu Kawan	Paramount Property	Serviced Apartment	1,033	411	578,000
Pinnacle Bukit Gambier	Bukit Gambier	Pinnacle Bukit Gambier Sdn Bhd	Serviced Apartment	1,077 – 1,734	982	588,000 – 1.71 million
M Zenni	Batu Maung	Vienna View Development Sdn Bhd (Mah Sing Group)	Serviced Apartment	688 – 1,184	494	657,000 – 1.14 million
The Lighthauz	Gelugor	EXSIM	Serviced Apartment	732 – 1,001	671	From 890,000
D'Hazelton	Farlim	Sunrich Conquest Sdn Bhd (GSD Land)	Affordable High-rise	900	1,670	300,000 – 450,000
Harbour View Residence	Butterworth	OSK Property	Affordable High-rise	950	373	From 380,000
SkyWorld Pearlmont Residences	Seberang Jaya	SkyWorld Development Bhd	Affordable High-rise	900	1,846	323,000 – 390,000
KOTA BHARU, KELANTAN						
Arika Kubang Kerian	Kubang Kerian	Seruan Mewah Sdn Bhd	Serviced Apartment	260 – 1,040	668	221,000 – 1.27 million
Residensi Platinum	Kota Bharu	BBGM Wangsa Development Sdn Bhd	Condominium	818 – 1,087	272	384,000 – 534,300

Abbreviation: sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: High-Rise Residential

Projects	Location	Developer	Type	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
JOHOR BAHRU, JOHOR						
i-NOVA	Kempas Utama	Wealthy Growth Sdn Bhd (IOI Properties)	SOHO	467 – 646	922	294,000 – 590,000
Optimus Medini	Medini	Optimus Medini Sdn Bhd	Condominium	700 – 2,080	276	338,000 – 1.24 million
KSL Bukit Gemilang Residence	Taman Bukit Gemilang	Khoo Soon Lee Realty Sdn Bhd	Condominium	850 – 1,270	476	391,000 – 481,000
D'Secret Garden 2 (Phase 2)	Taman Kempas Indah	KSL Realty Sdn Bhd	Serviced Apartment	506 – 893	1,664	225,000 – 549,000
Ceros Residences	Taman Mutiara Rini	KSL Development Sdn Bhd	Serviced Apartment	506 – 883	1,148	289,000 – 616,000
Meldrum Heights	Tanjung Puteri	MBW Projects Sdn Bhd	Serviced Apartment	337 – 1,022	251	321,000 – 944,000
Pinegate Residency	Taman Perindustrian Kota Puteri	Pinegate Development Sdn Bhd	Serviced Apartment	667 – 883	896	345,000 – 478,000
Daya One Residences	Taman Daya	Keck Seng (Malaysia) Bhd	Serviced Apartment	590 – 954	852	376,000 – 679,000
M Grand Minori	Taman Pelangi	Dsara Sentral Sdn Bhd (Mah Sing)	Serviced Apartment	403 – 835	843	390,000 – 800,000
Calia Residences (Tower A)	Danga Bay	PGB Desa Heights Sdn Bhd	Serviced Apartment	453 – 984	637	401,000 – 815,000
Ponderosa Regency	Taman Ponderosa	Prinsip Alpha Sdn Bhd	Serviced Apartment	532 – 1,211	1,132	405,000 – 1.21 million
The Address (Tower A to C)	Taman Pelangi	Maxim Pelangi Sdn Bhd	Serviced Apartment	450 – 865	2,743	426,000 – 842,000
Parkland by The River (Phase 2)	Permas Jaya	Parkland Southern Sdn Bhd	Serviced Apartment	562 – 1,020	1,078	422,000 – 765,000
Vista Tiara (Tower 7 & 8)	Danga Bay	MB World Properties Sdn Bhd	Serviced Apartment	495 – 2,795	388	424,000 – 1.93 million
Skyline One Sentosa (Tower A & B)	Taman Sentosa	Plaza Sentosa Properties Sdn Bhd (TSLaw)	Serviced Apartment	430 – 968	1,623	446,000 – 1.05 million
MBW Boulevard 1 (Tower A to C)	Tampoi	Tiara Cemerlang Sdn Bhd (MBW)	Serviced Apartment	704 – 948	945	486,000 – 684,000
Senyum Residences (Tower A & B)	Bukit Senyum	Crescendo Landmark Sdn Bhd	Serviced Apartment	419 – 1,167	1,257	513,000 – 1.50 million
Gen Rise	JB City Centre (Along Jln Tenteram)	Majestic Gen Sdn Bhd	Serviced Apartment	495 – 1,930	732	563,000 – 2.22 million
Space Residency	Taman Abad	Vistana Tropika Sdn Bhd	Serviced Apartment	645 - 907	995	565,000 – 1.07 million
Summer Suites	JB City Fringe (Along Jln Tenteram)	Connoisseur Properties Sdn Bhd	Serviced Apartment	599 – 912	748	570,000 – 994,000
Skypark Kepler	Lido Waterfront Boulevard	Lido Waterfront Boulevard Sdn Bhd	Serviced Apartment	463 – 807	1,596	587,000 – 1.50 million
New Casa Suites	R&F Princess Cove	R&F Development Sdn Bhd	Serviced Apartment	313 – 1,555	2,285	600,000 – 2.40 million
Gen Sphere	JB City Centre (Along Jln Tenteram)	Majestic Gen Sdn Bhd	Serviced Apartment	459 – 652	996	609,000 – 1.12 million
Veranda Residences (Phase 2 – Tower C & D)	JB City Fringe (Along Jln Puncak Saujana)	Parkwood Palms Sdn Bhd (MBW)	Serviced Apartment	632 – 1,023	649	620,000 – 952,000
Arden Serviced Residence	One Bukit Senyum	Astaka Kimlun Sdn Bhd	Serviced Apartment	797 – 1,700	618	1.08 million – 2.48 million

Abbreviation: SOHO – Small Office Home Office; sq. ft – square feet
Source: Data extracted from multiple publications and compiled by CBRE | WTW Research & Consulting

Significant New Launches: High-Rise Residential

Projects	Location	Developer	Type	Built-Up Area (sq. ft.)	No. of Units	Price (RM per unit)
KUANTAN, PAHANG						
OSK Ombak Kuantan	Balok	OSK Property Holdings Bhd	Serviced Apartment	800 – 1,143	1,274	360,000 – 1.09 million
KOTA KINABALU, SABAH						
Sky88 Residences (Phase 1B)	Bundusan	NBLand Group	Condominium	914 – 2,687	294	486,200 – 1.82 million
TAWAU, SABAH						
Taman Uni-Vista	Taman King Fook, Mile 3, Jalan Utara Baru	Unika Housing Sdn Bhd	Apartment	999 – 1,068	40	530,000 – 590,000
KUCHING, SARAWAK						
Saradise Dreams	Off Jalan Stutong, Saradise	Monarda Sdn Bhd	Serviced Apartment	591 – 1,045	240	482,800 – 1.05 million
AION Suites (Block A)	Jalan Tun Razak	Awi Builder Sdn Bhd	Serviced Apartment	290 – 893	314	262,700 – 735,740
Lunna Residence (Block C)	Off Jalan Penrissen	Timberland Group of Companies	Serviced Apartment	489 – 1,154	139	313,000 – 728,000
Mornington @ Matang (Block A)	Jalan Matang	Tecktonic & Sons Holdings Sdn Bhd	Serviced Apartment	700 – 915	162	271,000 – 348,000

Abbreviation: sq. ft – square feet
Source: Data extracted from multiple publications; compiled by CBRE | WTW Research & Consulting, WTWS Research & Consulting and WTWY Research

SIGNIFICANT TRANSACTIONS

Significant Transactions

Projects	Description	Seller	Buyer	Transaction Price (RM)
KLANG VALLEY				
Ulu Langat, Semenyih	Two parcels of FH development lands (275 acres)	Petaling Garden Sdn Bhd	Mont Meridan Development Sdn Bhd and Peninsular Connection Sdn Bhd	273,514,000
Corus Hotel, Jalan Ampang	A 13-storey 4-star international hotel building with a level of basement carpark	Ming Court Hotel (KL) Sdn Bhd	Suria Lagenda Development Sdn Bhd	260,000,000
Labu, Sepang	Three parcels of LH vacant agriculture land (95 acres)	Nurani Saujana Sdn Bhd	Nusa Wibawa Sdn Bhd	206,000,000
Ujong Permatang, Kuala Selangor	A parcel of FH agriculture land (762 acres)	Asian Regal Holdings Sdn Bhd	Duta Asiana Sdn Bhd	189,000,000
Bandar Kuala Lumpur	Nine adjoining parcels of FH development land zoned under commercial used (3 acres)	Tanahku Holdings Sdn Bhd	Solid Interest Sdn Bhd	148,800,000 **
PENANG				
Seberang Perai Tengah	A parcel of FH industrial land with an industrial property (136 acres)	Ann Joo Steel Bhd	Axis Real Estate Investment Trust	800,000,000
Seberang Perai Tengah	Four parcels of FH vacant development land (26 acres)	Mr Tan Tio Cheng & Tan Chow Cheng	Prefab Master (Penang) Sdn Bhd	82,702,000
Sunway Hotel Seberang Jaya, Seberang Perai Tengah	A 4-star hotel building with hotel assets	Sunway Real Estate Investment Trust	Sunway Medical Centre Penang Sdn Bhd	60,000,000
Tune Hotels, Bandar George Town	A 3-star hotel building	ECML Hotels Sdn Bhd	Wealthpro Holdings Sdn Bhd	51,888,000
Bandar George Town, Timur Laut	A parcel of LH building land (2 acres) and a parcel of commercial/ industry land (1 acre)	Penang Development Corporation	Enchanting View Development Sdn Bhd	51,804,000
JOHOR BAHRU, JOHOR				
Kota Southkey, Johor Bahru	A 5-storey shopping mall with 5,617 parking bays	Southkey Megamall Sdn Bhd (SMSB)	IGB Real Estate Investment Trust	2,650,000,000
i-Park SAC 34, i-TechValley 35, i-TechValley 36, Iskandar Puteri	Three parcels of FH industrial land with single-storey detached factories (with mezzanine offices and ancillary buildings) (7 acres)	iPark Development Sdn Bhd and Greenhill SILC	AME Real Estate Investment Trust	100,800,000 **
Eco Business Park I, Iskandar Puteri	A parcel of FH industrial land (139 acres)	Eco Business Park 1 Sdn Bhd	Microsoft Payments (Malaysia) Sdn Bhd	693,961,865
Eco Business Park II, Senai	A parcel of industrial land (32 acres)	Eco Business Park 2 Sdn Bhd	Deye New Energy Technology (Malaysia) Sdn Bhd	119,000,000
Senai Airport City, Senai	Three units of FH 1-storey detached factories annexed with 2-storey office and ancillary buildings	Rainbow Entity Sdn Bhd	CapitaLand Malaysia Trust	72,000,000
BATU PAHAT, JOHOR				
Jalan Bukit Pasir - Pagoh	A FH 3-storey detached factory with office building	Undisclosed	Undisclosed	35,680,000
Jalan Bukit Belah	A FH 1-storey warehouse	Undisclosed	Undisclosed	25,000,000
Jalan Bangas - Bukit Bujang	A parcel of FH agriculture land (125 acres)	Undisclosed	Undisclosed	11,000,000
Jalan Genuang	A FH 3-storey detached shop	Undisclosed	Undisclosed	10,500,000

** Valued by CBRE | WTW
Abbreviations: FH – freehold tenure; LH – leasehold tenure
Source: Data extracted from multiple publications such as Bursa Malaysia and Jabatan Penilaian dan Perkhidmatan Harta; compiled by CBRE | WTW Research & Consulting

Significant Transactions

Projects	Description	Seller	Buyer	Transaction Price (RM)
NEGERI SEMBILAN				
Hamilton Industrial Park, Nilai	Two parcels of FH vacant industrial land (16 acres)	Ajiya Safety Glass Sdn Bhd and Asia Roofing Industries Sdn Bhd	Kumkang Kind (M) Sdn Bhd and H. H. Hardware Sdn Bhd	51,944,000 **
Pekan Sungai Gadut, Seremban	Six parcels of FH vacant development land (138 acres)	Vivafirst Sdn Bhd	Bright Term Sdn Bhd	60,185,000
Bandar Nilai Utama, Seremban	Four parcels of FH vacant industrial land (10 acres)	Guper Bonded Warehouse Sdn Bhd	Widad Development (Nilai) Sdn Bhd	31,300,000
Senawang Industrial Park, Seremban	A parcel of FH industrial land with a 1-storey detached factory (4 acres)	Seremban Engineering Bhd	Vazzo Marketing Sdn Bhd	19,500,000
Labu, Seremban	A parcel of industrial land (3 acres)	PeterLabs Sdn Bhd	N9 Matrix Development Sdn Bhd	7,410,000
MELAKA				
Paya Rumput, Melaka Tengah	Two parcels of FH agriculture land (528 acres)	Genting Plantations (WM) Sdn Bhd and Genting Property Sdn Bhd	Scientex Heights Sdn Bhd	333,804,000
Kolej Yayasan Saad, Alor Gajah	Two parcels of LH development land with residential and co-educational private school buildings (42 acres)	KYS College Sdn Bhd	Hektar Real Estate Investment Trust	40,000,000
Bukit Katil, Melaka Tengah	A parcel of LH development land (7 acres)	Winbond Properties Sdn Bhd	A Famosa Specialist Hospital (Malacca) Sdn Bhd	25,500,000
Kota Laksamana Business Centre (Phase 3), Melaka Tengah	A parcel of LH commercial land (7 acres)	Undisclosed	Undisclosed	15,682,000
Kawasan Bandar XLV, Melaka Tengah	A parcel of LH development land (4 acres)	Cash Support Sdn Bhd	Star Acres Sdn Bhd	8,500,000
PERAK				
Aeon Mall Taiping, Kamunting	A unit of FH 3-storey retail shopping centre with approximately 2,000 parking bays	Undisclosed	Undisclosed	147,000,000
Aeon Mall Seri Manjung, Pusat Perniagaan Manjung Point 3, Seri Manjung	A unit of FH 2-storey retail shopping centre with 2,592 car park bays and 697 motorcycle bays	Kar Sin Bhd & YNH Hospitality Sdn Bhd	Sunway Real Estate Investment Trust	138,000,000
Jalan Dato Haji Mohamad, Teluk Intan	Two parcels of LH agriculture land (459 acres)	Kelapa Sawit (Teluk Anson) Sdn Bhd	Smaiden Capital Management Sdn Bhd	45,500,000
Jalan Changkat Jong, Teluk Intan	A parcel of LH commercial land with 3-storey commercial complex (5 acres)	Persiaran Eksklusif Sdn Bhd	Lotuss Stores (Malaysia) Sdn Bhd	41,000,000
Kawasan Perindustrian Pengkalan II and IV, Pusing	Two parcels of LH industrial land (12 acres)	Rubberex Alliance Sdn Bhd	Jutanaga Sdn Bhd	11,900,000
KOTA BHARU, KELANTAN				
Kaw. Perindustrian Pengkalan Chepa	A LH 2-storey detached factory with office building	Undisclosed	Undisclosed	5,650,000
Kaw. Perindustrian Pengkalan Chepa	A LH 1-storey detached factory with office building	Undisclosed	Undisclosed	5,000,000
Kaw. Perindustrian Pengkalan Chepa	A LH 1.5-storey terraced factory	Undisclosed	Undisclosed	2,000,000

** Valued by CBRE | WTW
Abbreviations: FH – freehold tenure; LH – leasehold tenure
Source: Data extracted from multiple publications such as Bursa Malaysia and Jabatan Penilaian dan Perkhidmatan Harta; compiled by CBRE | WTW Research & Consulting

Significant Transactions

Projects	Description	Seller	Buyer	Transaction Price (RM)
KEDAH				
Bandar Lunas, Kulim	Four parcels of FH agriculture land (296 acres)	Golden Bluechip Sdn Bhd	Paramount Property (Seaview) Sdn Bhd	128,743,460
Seksyen 38, Kulim	A parcel of LH industrial land with a 2-storey factory and a 1-storey office building (3 acres)	Berjayapak Sdn Bhd	General Point Asset Sdn Bhd	13,880,000
Bandar Alor Setar, Kota Setar	A parcel of FH vacant development land (1 acre)	SC Estate Construction Sdn Bhd	Novium Pinnacle Sdn Bhd	8,800,000
Bandar Alor Setar, Kota Setar	A parcel of FH vacant development land (1 acre)	SC Estate Construction Sdn Bhd	Pioneer Privilege Sdn Bhd	7,937,500
KUALA TERENGGANU				
Kawasan Perindustrian Gong Badak, Kuala Nerus	A parcel of LH development land with a 1-storey detached building (3 acres)	Sinoria Sdn Bhd	Pharmaniaga Logistics Sdn Bhd	19,500,000
Jalan Sultan Ismail	A FH 5.5-storey shop-office	Undisclosed	Undisclosed	8,823,000
Jalan Sultan Omar	A FH 5-storey purpose-built office	Undisclosed	Undisclosed	8,400,000
Sungai Derhaka	A LH 2-storey shop	Undisclosed	Undisclosed	1,600,000
KUANTAN, PAHANG				
Kawasan Perindustrian Gebeng	An industrial premise	CS Wind Malaysia Sdn Bhd	G.I.P Development Sdn Bhd	60,500,000
Kawasan Perindustrian Gebeng	Two parcels of LH industrial land with factories, warehouses and ancillary buildings (44 acres)	Mieco Manufacturing Sdn Bhd	G-Force Sdn Bhd	40,000,000
Lotus's Indera Mahkota	A parcel of LH development land with a 1-storey hypermarket building (7 acres)	Genuine Icon Sdn Bhd	KIP Real Estate Investment Trust	39,000,000 **
Bandar Indera Mahkota	A parcel of LH development land with 3 units of 2-storey shop office and lower ground car park (2 acres)	Genuine Icon Sdn Bhd	KIP Real Estate Investment Trust	12,000,000 **
KFC Indera Mahkota	A parcel of LH development land with a 2-storey commercial building (2 acres)	Genuine Icon Sdn Bhd and KIP Holdings Sdn Bhd	KIP Real Estate Investment Trust	5,000,000 **

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Significant Transactions

Projects	Description	Seller	Buyer	Transaction Price (RM)
KOTA KINABALU, SABAH				
Off Sepanggar Bay	A parcel of LH land with a workshop building (13 acres)	Shin Yang Sdn Bhd	Shin Yang Shipping Sdn Bhd	26,600,000 **
LABUAN, SABAH				
Kampung Durian Tunjong, Off Jalan Pohon Batu	Two parcels of LH land with open sided storage sheds and an office building (0.5 acres)	B.I.G. Industrial Gas Sdn Bhd	Hyperwave Systems Engineering Sdn Bhd	1,684,000 **
SANDAKAN, SABAH				
Sejati Commercial	A LH 2-storey hypermarket building	Asterasia Sdn Bhd	Mydin Wholesale Cash and Carry Sdn Bhd	85,000,000 **
KUCHING, SARAWAK				
Pending Industrial Estate, Section 66	A parcel of LH land with a 1-storey warehouse and office buildings (5 acres)	Forescom Plywood Sdn Bhd	Shin Yang Group Bhd	12,050,000 **
Demak Laut Industrial Park, Jalan Bako	A parcel of mixed zone land with a detached factory along with a 2-storey office building (4 acres)	Globalmas Sdn Bhd	Supreme Cold Storage Sdn Bhd	5,600,000
Lot 5757, Jalan Ketitir	A piece of vacant land (14.8 acres)	Standard Parade Sdn Bhd	Rasaja Sdn Bhd	40,000,000 **
4728, Jalan Penrissen	Mixed development (14.7 acres)	Sanyan Soon Hup Sdn Bhd	Emart Realty Sdn Bhd	32,252,000 **
6632, Lorong Song 1, Jalan Kedandi	Mixed development (5.6 acres)	Deanna Ibrahim @ Sorayah bt Abdullah	CCA Engineering Sdn Bhd	26,235,400 **
1459, Jalan Datuk Bandar Mustapha	Residential development (2.4 acres)	Supreme Standard Dev. Sdn Bhd	Lee Onn Development Sdn Bhd	17,388,000 **
5049, Jalan Burung Lilin	Residential development (3.7 acres)	Instarmac Development Sdn Bhd	IJK Construction Sdn Bhd	14,500,000 **
226, Batu 12, Jalan Kuching-Serian	Residential development (7.9 acres)	Undisclosed	Undisclosed	11,000,000
SIBU, SARAWAK				
Sibu Town	Four parcels of vacant LH development land (23 acres)	Yemas Development Sdn Bhd	Jaya Tiasa Property Sdn Bhd	100,000,000 **
BINTULU, SARAWAK				
Kidurong Industrial Area	A parcel of industrial land with a 1-storey industrial building (0.92 acre)	Hyper Shipping Sdn Bhd	Pharmaniaga Logistics Sdn Bhd	11,000,000

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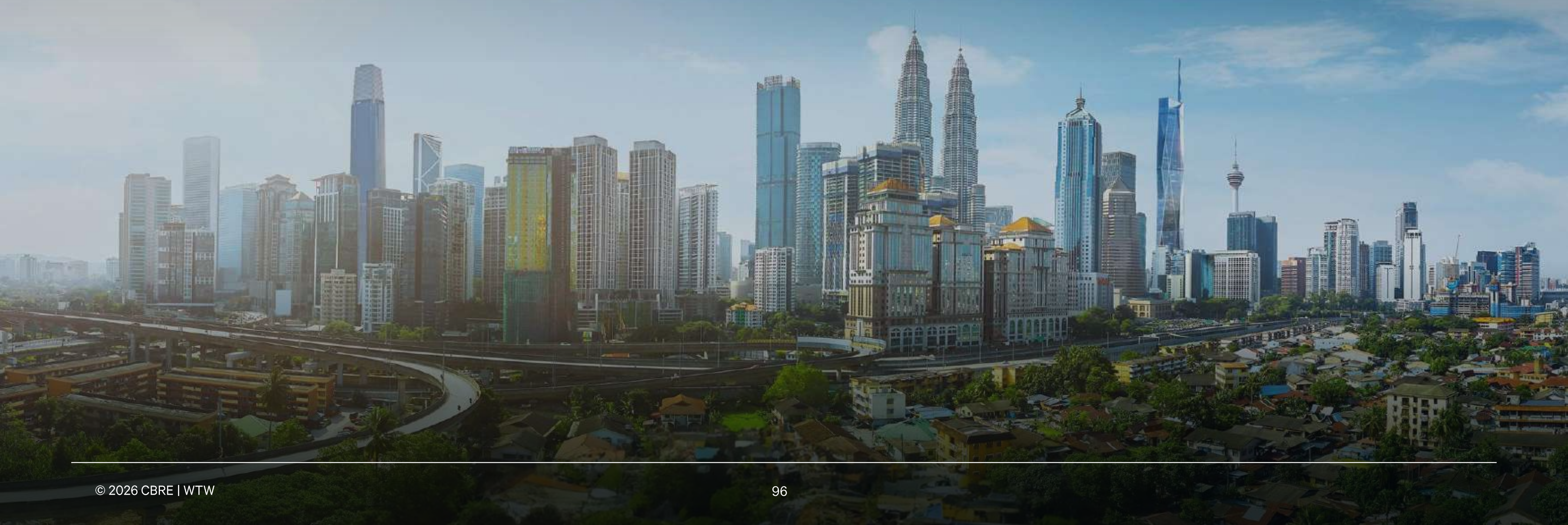

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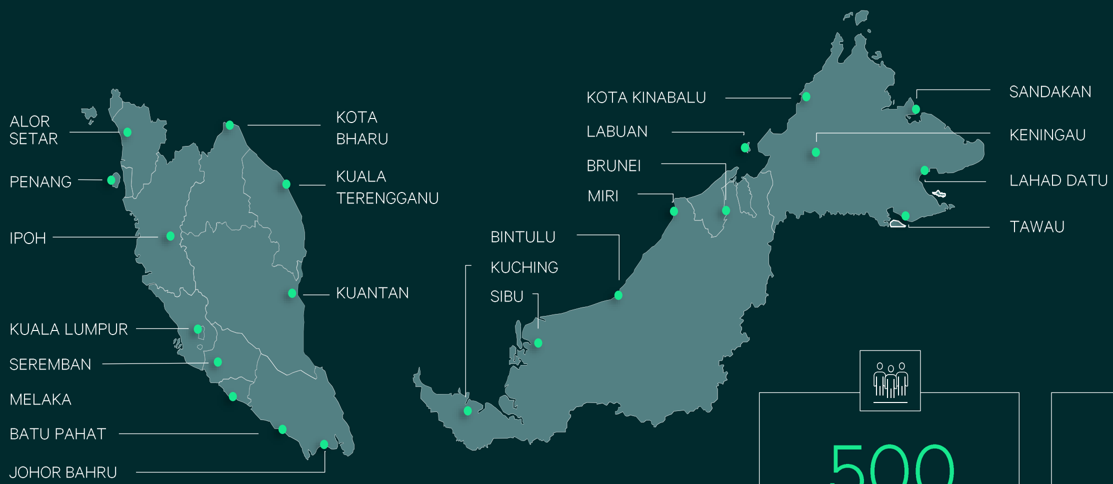

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