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**PROPERTY
PLUG** *Weekly*

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Corporate Edition

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INDUSTRIAL

KIP REIT Expands Industrial Portfolio with Cheras Jaya Acquisition

(Source: New Straits Times, February 28, 2025)

KIP Real Estate Investment Trust (KIP REIT) is set to acquire an industrial property in Cheras Jaya, Selangor, for RM78 million, marking its first foray into the industrial real estate sector.

The property comprises two single-storey detached factories with mezzanine floors, a three-storey office annex, and ancillary buildings, totaling a net lettable area of approximately 224,418 square feet. The acquisition is expected to enhance KIP REIT's portfolio diversification and income stability, with the property currently fully tenanted by a multinational corporation under a long-term lease agreement.

Axis-REIT to Sell 'The Annex' for RM24.2 Million, Plans to Distribute Net Gains to Unitholders

(Source: BERNAMA, February 26, 2025)

Axis Real Estate Investment Trust (Axis-REIT) has agreed to sell 'The Annex' in Petaling Jaya for RM24.2 million. The property, acquired in October 2012 for RM12 million, comprises a single-storey warehouse with an annexed double-storey office on approximately 66,182 square feet of land.

The disposal is expected to yield a net gain of RM9 million, which Axis-REIT plans to distribute to unitholders as tax-exempt income, translating to an additional distribution of 0.44 sen per unit. The proceeds will also help reduce the company's gearing ratio to 34.3%, enhancing financial flexibility for future acquisitions or developments.

LAND

Radium Development Acquires 13-Acre Land in Cheras for RM458 Million

(Source: The Edge Malaysia, November 27, 2024)

Radium Development Bhd has agreed to purchase a 13-acre land parcel in Cheras, Kuala Lumpur, from Dupion Development Sdn Bhd for RM458 million.

The acquisition is expected to be completed by the first half of 2025 and will increase Radium's total landbank in Kuala Lumpur to 34 acres from the current 20.77 acres. The land is located within a transit-oriented development zone near the MRT Taman Pertama station, offering opportunities to capitalize on the growing demand for integrated and well-connected urban development projects.

EcoWorld to Sell RM266 Million Land and Lease Data Centre to Google Affiliate

(Source: The Edge Malaysia, February 25, 2025)

Eco World Development Group Bhd (EcoWorld) has entered into agreements to sell 58.187 acres of industrial land in Eco Business Park V to Pearl Computing Malaysia Sdn Bhd, an affiliate of Google, for RM266.1 million. Additionally, EcoWorld's subsidiary, Quantum Alpha Sdn Bhd (QASB), will develop and lease data centres on 92.44 acres within the same park to Pearl Computing.

The project is scheduled for completion in 2027 and is part of EcoWorld's strategy to monetize its industrial land bank while attracting high-value tenants. This marks the fourth sale of industrial land to data centre operators since 2024, with total proceeds amounting to RM1.586 billion.

COMMERCIAL

Strong FY24 Performance Enhances Paramount Corp's Outlook

(Source: The Star, February 25, 2025)

Paramount Corp Bhd reported a 16% year-on-year increase in core net profit, reaching RM86.1 million for the financial year 2024 (FY24).

This growth was primarily driven by stronger performance in the group's investment and other segments, largely due to dividend income from Eco World International Bhd (EWI), in which Paramount acquired a 21.54% stake in May 2024.

Malaysian Office Sector Undergoes Recalibration Amid Flight-to-Quality Trend

(Source: Real Estate Asia, February 25, 2025)

Malaysia's office sector, particularly in Kuala Lumpur, is experiencing a recalibration as tenants gravitate toward premium Grade A office spaces.

This flight-to-quality trend has led to increased vacancies in older buildings, prompting landlords to upgrade facilities, enhance sustainability features, and offer attractive lease packages to retain and attract tenants. Despite a competitive market, key Grade A buildings in prime locations continue to attract strong occupier demand, stabilizing occupancy levels even in a subdued rental environment. The market's performance is bolstered by Malaysia's stable economic outlook, which supports business expansion and employment growth.

OTHERS

Malaysia's Urban Renewal Act Draft Bill Open for Public Feedback Until March 7

(Source: EdgeProp.my, February 24, 2025)

The Ministry of Housing and Local Government (KPKT) has released a draft of the proposed Urban Renewal Act, inviting public feedback until March 7, 2025. The Bill aims to facilitate urban redevelopment by lowering the consent threshold for such projects:

- 75% consent required for buildings over 30 years old.
- 80% consent for buildings under 30 years old.
- 51% consent for abandoned buildings.

To safeguard homeowners' rights, the Bill proposes that all urban renewal projects undergo vetting and approval by two committees.

Johor Bahru-Singapore RTS Link Systems 50% Complete; Tracks to Be Laid by July

(Source: The Straits Times, February 25, 2025)

The Johor Bahru-Singapore Rapid Transit System (RTS) Link project has achieved a 50% completion rate for its systems, with track installation from Malaysia to Singapore's Woodlands scheduled for completion by July 2025. Construction is actively progressing at Bukit Chagar station in Johor Bahru.

The RTS Link aims to enhance cross-border connectivity between Malaysia and Singapore, providing a seamless commuting experience upon its expected completion in 2027.

FOREIGN

Chinese Developers Purchase Land at 20% Premium, Anticipating Market Rebound

(Source: The Straits Times, February 24, 2025)

Chinese state-backed developers are purchasing land at premiums of up to 20%, reflecting a strategic bet on a housing market rebound.

This trend follows the government's relaxation of home price restrictions, aiming to revitalize a sector that has faced challenges over the past four years. Investors, including hedge funds, are also showing renewed interest in China's property sector. Positive indicators, such as rising home prices in major cities and recapitalization plans by companies like China Vanke, suggest a potential turnaround.

Bangkok Office Market Faces Prolonged Recovery Amid Oversupply

(Source: Bangkok Post, February 25, 2025)

Experts caution that Bangkok's office market may require at least five years to achieve a balance between supply and demand due to significant oversupply.

This situation has led to construction delays for some new projects and intensified price competition among recently launched developments. Despite these challenges, there are signs of robust demand for office real estate in Thailand. Recent trends indicate that the supply entering the Bangkok market is beginning to align with growing demand, which has surpassed expectations in the post-COVID landscape.

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