MARKETBEAT
KUALA LUMPUR
INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

Industrial Property (All Types) — 12-Month Forecast

51.95% ▲
Transactions from Terraced Factory / Warehouse

0.21% ▼
Sales Growth (Value y-o-y)

14.72% ▲
Sales Growth (Volume y-o-y)

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.4% GDP Growth	▼	▲
1.3% CPI Growth *August 2025*	▼	▲
3.0% Unemployment Rate *July 2025*	▼	▼

Source: BNM, DOSM (Q2 2025)

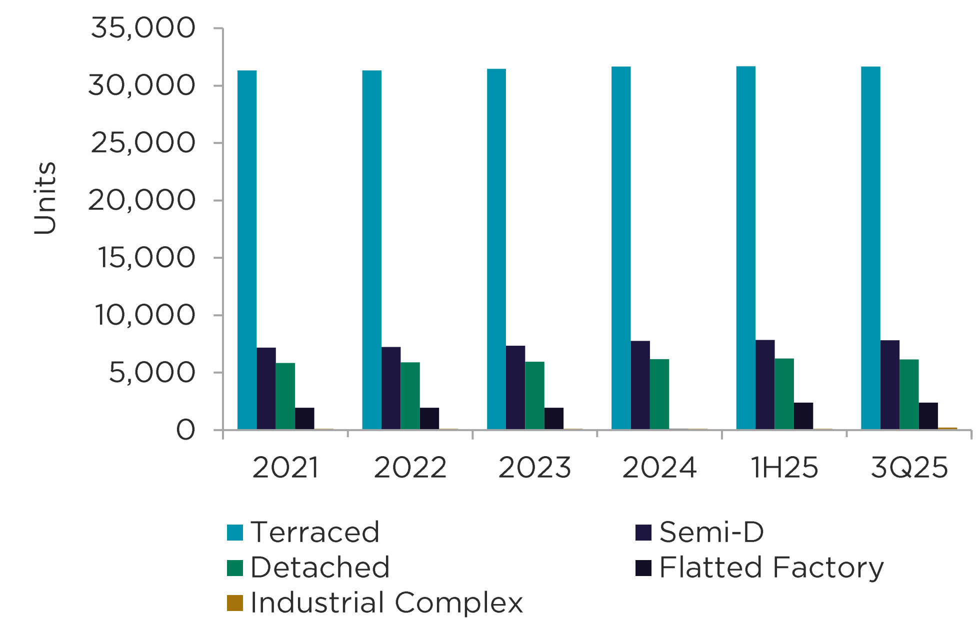
ECONOMY: STRONGER INDUSTRIAL OUTPUT DRIVEN BY MANUFACTURING AND ELECTRICITY GROWTH

Malaysia's Industrial Production Index (IPI) recorded a stronger growth of 3.0% in June 2025, accelerating from 0.3% in May, underpinned by higher output in the manufacturing and electricity sectors, while mining continued to contract though at a much smaller pace. Manufacturing activity grew 3.6% compared to 2.8% in May, supported mainly by domestic-oriented industries which expanded 5.1%, driven by a sharp rise in food products (+11.3%), along with increases in basic metals (+6.7%) and motor vehicles (+3.4%). The electricity sector also rebounded strongly, posting 4.1% growth after a slight decline in the previous month. Meanwhile, the mining sector stayed in negative territory at -0.01%, but this was a notable improvement from May's steep -10.2% drop. Export-oriented industries sustained a steady 2.9% growth, with most segments showing improvement despite continued weakness in electronics (-5.9%), reflecting solid domestic demand and a gradual recovery in external markets.

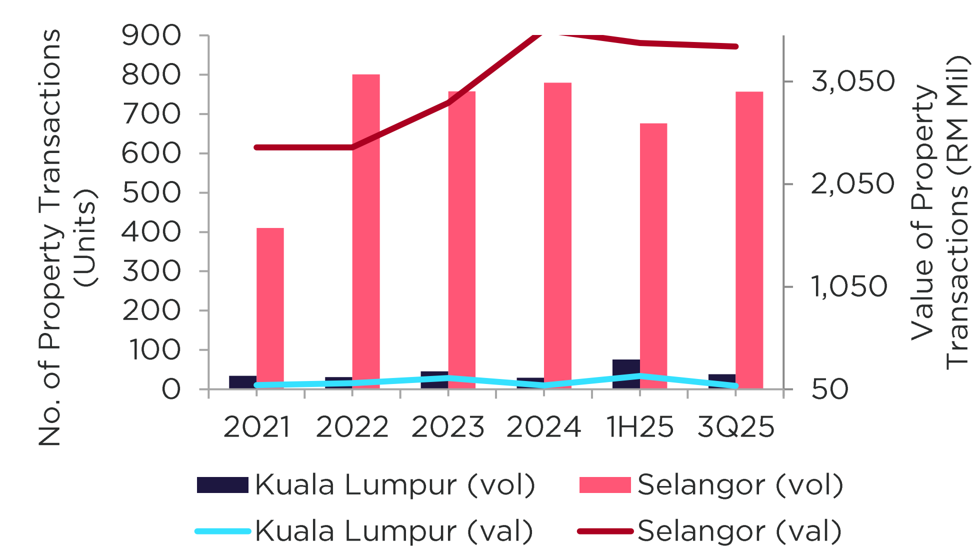
SUPPLY: POST-SST COST PRESSURES ON MANUFACTURERS

Since the July 2025 expansion of Malaysia's Sales and Service Tax (SST), industrial players have faced growing cost pressures that continue to erode profit margins. The broader tax scope has increased expenses on raw materials, logistics, and professional services, while energy and labour costs have also remained elevated. Manufacturers in key sectors such as machinery, automotive, and consumer goods are finding it difficult to pass on these additional costs to customers amid weak demand and tight competition. As a result, many companies are prioritising cost optimisation, production efficiency, and supply chain restructuring to preserve profitability. According to the Federation of Malaysian Manufacturers (FMM), persistent cost pressures are expected to weigh on industrial recovery through the second half of 2025, underscoring the need for stronger policy support and productivity-driven growth to sustain Malaysia's industrial competitiveness.

INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



VOLUME & VALUE OF PROPERTY TRANSACTIONS



MARKET STATISTICS

SUBMARKET	INDUSTRIAL AREA	INVENTORY (UNIT)	PLANNED & UNDER CNSTR (UNIT)	FACE RENT RM PSF PM (ALL TYPES)	FACE RENT USD PSF PM (ALL TYPES)	FACE RENT EUR PSF PM (ALL TYPES)
Central Region	W.P Kuala Lumpur, Gombak, Petaling	25,009	123	RM 1.90 – RM 4.30	$ 0.45 – $ 1.02	€ 0.38 – € 0.87
Northern Region	Kuala Selangor, Hulu Selangor, Sabak Bernam	5,350	519	RM 1.20 – RM 2.40	$ 0.29 – $ 0.57	€ 0.24 – € 0.48
Southern Region	Kuala Langat, Sepang	1,680	695	RM 1.80 – RM 2.50	$ 0.43 – $ 0.59	€ 0.36 – € 0.51
Western Region	Klang	9,381	1,071	RM 1.90 – RM 3.00	$ 0.45 – $ 0.71	€ 0.38 – € 0.61
Eastern Region	Hulu Langat	7,376	196	RM 1.40 – RM 2.40	$ 0.33 – $ 0.57	€ 0.28 – € 0.48
TOTALS		48,796	2,604	RM 1.20 – RM 4.30	$ 0.29 – $ 1.02	€ 0.24 – € 0.87

Cumulative supply for all submarkets are based on total supply of industrial space (all types).

Source: NAPIC & IVPS/Cushman & Wakefield Research

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	LOCATION	SELLER/BUYER	LAND AREA	PRICE RM
Industrial land with buildings	Banting, Selangor	Lucksoon Coatings/ LB Aluminium	6.74 acres	RM 22 Mil
A parcel of land with a warehouse building	Kuching, Sarawak	Forescom Plywood/ Shin Yang Group	4.8 acres	RM 12.5 Mil
A parcel of land	Jalan Putra, Kuala Lumpur	Tan Chong Motor/ Avaland	3.2 acres	RM 148 Mil
A parcel of land	Banting, Selangor	Greenyield/ Filtermation (MFG)	2.63 acres	RM 8.0 Mil
Industrial land with 2-storey factory, a 3-storey office block, a 2-storey warehouse, and a guardhouse	Petaling Jaya, Selangor	Pixio/ NexG	1.53 acres	RM 28.5 Mil

INVESTMENT TREND/INDUSTRIAL DEVELOPMENT ACTIVITIES

- *A total of 42 data centre projects were approved for construction in Johor during Q2 2025.*
- *Aneka Jaringan has accepted a letter of award issued by Quantum Alpha for the execution of piling works at a data centre project in Eco Business Park V, Selangor.*
- *Pantech Global to acquire 4.84 acres Klang Land for RM29 Million, drops original initial public offering site plan.*
- *S P Setia and Taiwan's ALP will jointly develop a 42-acre smart warehouse campus in Klang with a GDV of up to RM4 billion. The project includes two build-to-lease warehouses, one for cold chain and one for ambient storage, offering 1.5 million sq ft of space and 150,000 pallet locations, featuring automated storage and retrieval systems (AS/RS).*
- *Silver Ridge's Cyberjaya data centre project has been scrapped following the withdrawal of PKNS's subsidiary from the joint venture. The project was planned for an eight-acre site owned by PKNS in Cyberjaya.*
- *Fraser & Neave Holdings (F&N) has proposed selling its 50% stake in a non-core property asset in Petaling Jaya for approximately RM180 million, as part of its strategy to focus on expanding its dairy farming business.*

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