

Industrial land demand on uptrend



By DAVID TAN

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According to special adviser to Penang Chief Minister Datuk Seri Lee Kah Choon (pic), the demand for industrial land in Penang is strong.

GEORGE TOWN: The Penang Development Corp (PDC) will develop between 100 and 150 acres of industrial land annually in Batu Kawan over the next three years.

According to special adviser to Penang Chief Minister Datuk Seri Lee Kah Choon (pic), the demand for industrial land in Penang is strong.

“Due to the pandemic, electronic raw material hubs, including China, have either ceased operations”

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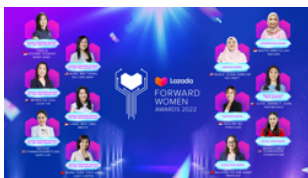
“Electronics manufacturing services providers are now looking to relocate to Penang to be close to the supply chain here.

“We are also seeing companies from China relocating here because of the US-China trade war. The take-up rate of industrial land in Batu Kawan has remained strong since 2020,” Lee told StarBiz.

PDC has more than 3,000 acres of land mainly in the Batu Kawan area that can be converted into industrial usage.

“There are 1,000 acres in the east of Batu Kawan and an additional 1,500 acres in Byram Estate. Next to Aspen Vision City, there’s a total of 300 acres. For the next three years, PDC’s plan is to develop between 100 and 150 acres of industrial land per annum,” he added.

One Asia Property Consultants (Pg) Sdn Bhd executive director Chandra Mohan Krishnan said in the second half of 2021, the transactions for industrial land in Batu Kawan hit about RM100mil.



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“Three manufacturing companies were behind the transactions to purchase about 36 acres of industrial land at RM55 per sq ft.

“The preliminary data suggests that Penang’s industrial segment was active in 2021, and there is reason to believe that the trend will continue in the near to medium term.

“One can therefore expect to see increases in prices and rents in Penang’s industrial sector,” he said.

In 2019, the transactions for industrial land in Batu Kawan was RM45 per sq ft. The price per square ft has now surged to between RM55 and RM65 per sq ft.

“There are some 60 large companies constructing their plants in Batu Kawan currently.

“Smith & Nephew and Lam Research were among the big multinational corporations that invested in Batu Kawan in 2020 and 2021,” Chandra said.

On the island, Intel is building its RM30bil plant at Bayan Lepas Industrial Park.

“This is a big boost for Penang’s industrial sector as Intel contributes about 10% of Malaysia’s total electronic exports annually, which is equivalent to about 40% of the country’s RM980bil total exports,” he said.

He added that investors were also eyeing Kepala Batas as an alternative site for industrial pr
land prices in Batu Kawan surged

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“The Kepala Batas Industrial Park is now being planned, and it is targeted to be operational by the second half of 2023. The project has started to draw attention from US and German investors. We expect the industrial sector in Penang to grow healthily in 2022 and 2023,” he said.

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