

# UEM Sunrise project site has good prospects

## Industrial development in demand at Gerbang Nusajaya

### PROPERTY

**PETALING JAYA:** Analysts are upbeat about UEM Sunrise Bhd's project site at Gerbang Nusajaya, Johor, in light of its development prospects.

Following a visit to the site, RHB Investment Bank said it had a bullish view on the company, adding that further land acquisition from Ascendas Land (M) at the end of 2022 was a sign of strong upcoming demand for industrial development.

"A new data centre and factories are undergoing construction. UEM Sunrise is also converting 361 acres into an industrial zone for more immediate development, either via an outright sale or joint venture (JV).

"Its 3,000 acres of undeveloped land in the area (including the JV) is awaiting further re-rating," the research house said in a report yesterday.

Additionally, RHB Research said Nusajaya Tech Park (NTP), a 40:60 JV project between UEM Sunrise and Ascendas, has been "busy."

"Apart from other factories that are already operating, GDS Holdings Ltd, which is a leading developer and operator of data centres, is building its data centre campus at NTP.

"Bakery Paris Baguette, owned by SPC Group of South Korea, is also constructing its first global halal manufacturing plant in South-East Asia."

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RHB Investment Bank

management indicated that demand for industrial development picked up rapidly during the US-China trade tensions, adding that post-Covid-19 reopening further accelerated the decentralisation of operations by many multinational corporations.

"This trend is in line with UEM Sunrise's other industrial peers, such as AME Elite Consortium Bhd, which has similarly experienced strong demand over these few years."

RHB Research also said Ascendas' further land acquisition in the JV was a boost of confidence.

"Admittedly, development at NTP was fairly slow in the early stage, but it is now a highly successful industrial park.

"In December 2022, UEM Sunrise injected phases two and three into the JV as Ascendas decided to expand further."

Although the transaction was valued at RM289.2mil for 235 acres, RHB Research noted that Ascendas' move to further

expand NTP is a show of confidence.

"NTP is a green mark industrial park with a high security system and Ascendas, via its strong network and track record, has been able to bring in reputable industrial players into NTP.

"The factories at NTP are currently fetching RM360 to RM370 per sq ft. Phase one of NTP is already almost full, while phases two and three are currently undergoing land clearing."

RHB Research also noted that UEM Sunrise is converting 361 acres into an industrial zone.

"The revised masterplan of Gerbang Nusajaya saw industrial components making up 28.3% of total new gross development value of RM45bil, from only 1.6% of RM42bil.

"The immediate conversion of the 361 acres could suggest that some proposals are already on the table and we are hopeful that some deals may materialise in a few months."