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Wealthy investors become a leading force in commercial real estate, accounting for almost a third of all global transactions

- **Malaysia ranks the 5th in the Asia Pacific in terms of attracting cross border private capital investment**
- **21% of ultra-high-net-worth-individuals plan to invest in commercial property in 2019**

Malaysia, 24th April 2019 – Private investors already a strong presence, are becoming an increasingly important force in the global real estate marketplace. Knight Frank’s Wealth Report 2019 reveals that 31% (\$289bn) of all global commercial property transactions in the 12 months to Q3 2018 involved private capital – nearly a third. And, 21% of private wealth is held in real estate investments of some kind (excluding primary residences and second homes).

As private investors grow in importance, institutional investors are realising that they are a key buyer type whose drivers are often very different to their own and need to be understood; as they are likely to either be competing against them in a purchase negotiation or trying to sell to them as part of an exit.

Among Asian countries, Australia commercial real estate is the most popular destination for cross-border transactions by private capital with \$2.8bn invested in the 12 months to Q3 2018. Malaysia ranks 5th, with \$205 million invested.

Top destinations of cross-border investment in Asia Pacific for private capital by volume (12 months to Q3 2018)

No.	Country	Total \$
1	Australia	2,831,479,567
2	Singapore	1,148,457,542
3	Hong Kong	933,761,006
4	China	463,023,111
5	Malaysia	204,868,439

Source: RCA

James Buckley, Executive Director of Capital Markets in Knight Frank Malaysia says, “In Malaysia, we have witnessed a notable increase in the number of commercial properties coming to the market in 2019, but it is really important to set the right asking price and for owners to have realistic price expectations. Properties will not sell and marketing simply becomes stale otherwise. We are seeing

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owners' pricing slowly becoming more realistic and we anticipate sales volumes picking up this year with some great investment opportunities arising for shrewd investors, seeking to acquire assets at reasonable valuations."

The most popular types of investment globally for private capital by investment volumes (12 months to Q3 2018).

No.	Property Type	Proportion
1	Apartment	35%
2	Office	29%
3	Retail	15%
4	Industrial & logistic	11%
5	Hotel	8%
6	Senior Housing & Care	2%

Source: RCA

Although apartment and office are the most popular types of investment globally, Wealth Report 2019 reveals the growing interest of private capital investing in specialised assets such as Senior Housing & Care, with 2% of them are looking to diversify their investments in this property type.

In tandem with Malaysia's demographic shift, this presents tremendous opportunities for this specialised assets to grow in the country.

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To download the report, please click: <http://www.knightfrank.com/wealthreport>

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Notes to Editors

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