

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
27.49%	▼	▲
Vacancy Rate		
118.37M	▲	▼
QTD Net Absorption, SF		
RM 6.07	▼	▲
Avg. Asking Rent, PSF		
(Overall, All Property Classes)		

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.4%	▲	▲
GDP Growth		
1.4%	▼	▲
CPI Growth		
April 2025		
3.1%	▼	▼
Unemployment Rate		
March 2025		

Source: BNM, DOSM (Q1 2025)

ECONOMY: MALAYSIA'S Q1 2025 GROWTH SLOWS TO 4.4% AMID MIXED SECTOR PERFORMANCE

Malaysia’s economy expanded by 4.4% in Q1 2025, moderating from 5.0% growth in the previous quarter (Q4 2024). The expansion was primarily driven by the Services sector, which grew by 5.0%, slightly below the pace recorded in Q4 2024. The Construction sector posted a robust growth of 14.2%, although this was a slowdown compared to the previous quarter. The Mining sector continued its decline, registering a growth of just 2.7%, while the Manufacturing sector contracted by 4.1%. Agriculture, on the other hand, saw a modest uptick of 0.6%. From the expenditure side, most GDP components experienced a slowdown. Notably, private consumption surged by 9.2%, marking a significant increase. Meanwhile, both exports and imports declined, falling by 4.1% and 3.1%, respectively.

DEMAND: SHIFT TOWARD INTEGRATED OFFICE HUBS IN KLANG VALLEY

Demand is increasingly concentrated in newer integrated commercial hubs in Klang Valley, as tenants especially MNCs—prioritize well-connected, sustainable, and high-quality office environments. These developments, offering green-certified buildings (LEED, GBI) modern amenities, and seamless access to public transport, are outperforming older standalone offices. The shift is driven by a focus on ESG goals, operational efficiency, and the needs of the growing digital economy, making integrated hubs the preferred choice for forward-looking occupiers.

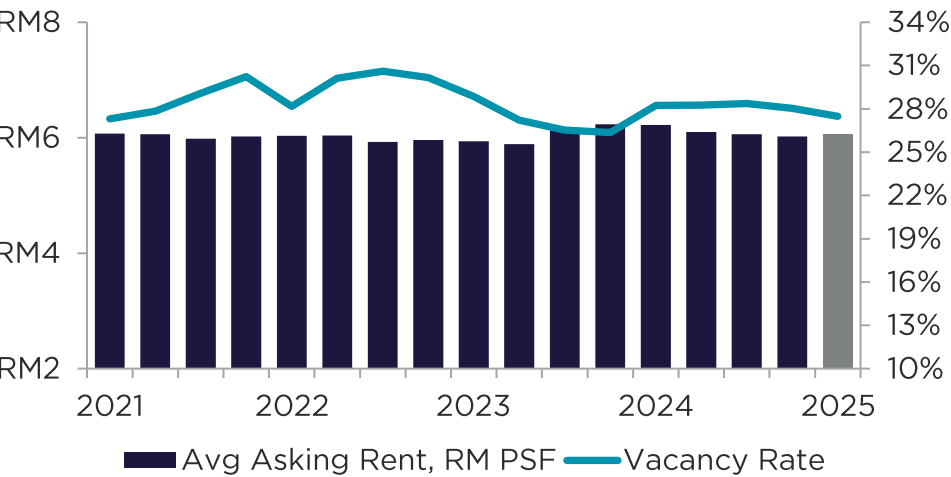
PRICING: AVERAGE RENTS EASE WHILE VACANCY RATES IMPROVE IN GREATER KUALA LUMPUR

In Q1 2025, the average asking rent in Greater Kuala Lumpur declined to RM 6.07 psf per month, compared to the previous quarter. Rental rates across the key regions—KL CBD, KL Fringe and Decentralised areas—have experienced slight fluctuations. KL CBD recorded a slight increase to RM 6.90 psf, up from RM 6.88 in Q4 2024. Meanwhile, the KL Fringe and Decentralised areas saw declines, with average rents of RM 6.50 psf and RM 4.82 psf respectively. The vacancy rate continued to improve, decreasing to 27.49% in Q1 2025 from 28.04% in the previous quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (MSF)	OVERALL VACANCY RATE	PLANNED & UNDER CONSTRUCTION (MSF)	OVERALL AVG ASKING RENT (ALL CLASSES, RM PSF PM)*	OVERALL AVG ASKING RENT (ALL CLASSES, USD PSF PM)*
KL CBD	59.92	28%	11.94	RM 6.90	USD 1.63
KL FRINGE	49.31	32.9%	2.2	RM 6.50	USD 1.53
DECENTRALISED	35.51	21.58%	1.33	RM 4.82	USD 1.14
TOTAL	144.74	27.49%	15.47	RM 6.07	USD 1.43

**Rental rates reflect full service asking; inclusive of service charge.*
a) Inventory for all submarket is based on the total supply of office space (all classes).
b) Office space within KL Sentral, Bangsar and those within Damansara Heights vicinity are taken into consideration as KL Fringe submarket.
c) Office space within Petaling Jaya, Damansara, Kelana Jaya, Sunway/Subang/USJ and Shah Alam are taken into consideration as Decentralised submarket.

Source: NAPIC & IVPS/Cushman & Wakefield Research

NOTABLE INCOMING SUPPLY

PROPERTY	SUBMARKET	NLA (SF)	TARGET COMPLETION
Pavilion Damansara CT10	KL Fringe	215,152	Q4 2025
Sunsuria Forum Corporate Office	Decentralised	318,550	2025
Menara 1194 - Refurbishment	KL CBD	169,250	2025
TNB Gold	KL Fringe	475,600	2025
The Exchange TRX Campus Office	KL CBD	200,000	2025
Menara Golden Eagle	KL CBD	112,000	Q1 2026
Sunway Square Tower 1	Decentralised	432,500	Q2 2026
KL Midtown Signature Office	KL Fringe	600,000	Q3 2026
The Capitol	Decentralised	1,200,000	Q4 2026
Bangsar 61 (Tower 1)	KL Fringe	548,000	Q4 2026
Plaza Conlay Tower 2	KL CBD	606,000	2026
Pavilion Square Bukit Bintang	KL CBD	167,407	2026
Duo Tower (Tower B)	KL Fringe	432,212	2027
Solarvest Tower	KL Fringe	348,092	2027
Lot C7-10, TRX	KL CBD	800,000	2029
Iconic Tower, IOI Resort City	Decentralised	1,000,000	2030
IOI Rio City Office Tower	Decentralised	350,000	2030

**Target completion = Building completion with Certificate of Completion and Compliance (CCC)*

INVESTMENT TREND/OFFICE DEVELOPMENT ACTIVITIES

- *IWG will launch a new Signature centre at Menara Merdeka 118, Kuala Lumpur, in Q3 2025, featuring two floors with 637 workstations, meeting rooms, co-working desks, a lounge, and flexible open spaces.*
- *Singapore-based company announces the official opening of its new ABP Malaysia office at Mercu Aspire, KL Eco City.*
- *Perstorp announces the opening of its inaugural sales office in Malaysia, located on the 46th floor of the PETRONAS Twin Towers.*
- *WORQ and Sunway Property have unveiled their second collaborative co-working space with the launch of WORQ Sunway Velocity, a 20,000 sf outlet located at Sunway V2 Tower in Cheras.*
- *Menara Worldwide in Bukit Bintang has been put up for sale with an indicative price of approximately RM250 million.*

TIFFANY GOH

Head - Occupier Services
Tel: +6012-299 2778 (M); +603-7728 4117 (O)
tiffanygoh@ivpsmalaysia.com

FARINA BASAR

Occupier Services
Tel: +6012-480 2831 (M); +603-7728 4117 (O)
norfarina@ivpsmalaysia.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.