

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
-24.01% CBD Prime Rental Growth	▼	▲
13% Vacancy Rate	▲	▲
RM 3,045 Median Income	▼	▼

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.4% GDP Growth	▲	▲
1.4% CPI Growth April 2025	▼	▲
5.0% Consumer Spending Growth	▼	▲

Source: BNM, DOSM (Q1 2025)

ECONOMY: CONTINUED GROWTH IN WHOLESALE AND RETAIL TRADE

In March 2025, Malaysia’s wholesale and retail trade sector recorded a 5.7% year-on-year (y-o-y) growth, with total sales reaching RM154.0 billion. The wholesale trade segment contributed RM67.8 billion—an increase of RM2 billion—marking a 5.7% y-o-y rise. The wholesale sector was further supported by increased spending on food, pharmaceutical and medical products, perfumes, cosmetics, soaps and toiletries, as well as jewelry. Retail trade rose by 6.6% to RM67.0 billion, reflecting a RM1.9 billion gain. Sales in the motor vehicles sub-sector amounted to RM19.2 billion, registering a modest y-o-y growth of 2.3%. On a quarter-on-quarter basis, the overall volume index recorded a slight decline of 0.3% from the previous quarter.

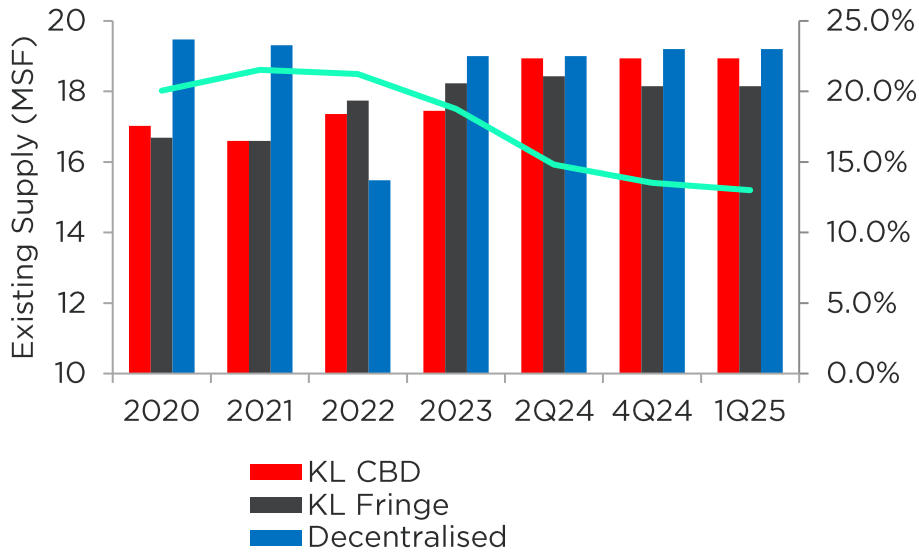
DEMAND: GLOBAL BRANDS PREFER PREMIUM MALLS TO ENTER THE MALAYSIAN MARKET

Global brands entering Malaysia typically choose high-end, well-managed malls with strong foot traffic, such as Pavilion Kuala Lumpur, Suria KLCC and The Exchange TRX. These malls offer strategic locations, affluent and tourist-heavy demographics, premium tenant mixes, and solid brand synergy, making them ideal for global retailers seeking visibility and brand alignment. New lifestyle hubs like The Exchange TRX attract brands with their modern retail concepts and positioning as international lifestyle destinations, while older or budget-oriented malls are generally avoided due to limited brand fit and consumer spending power.

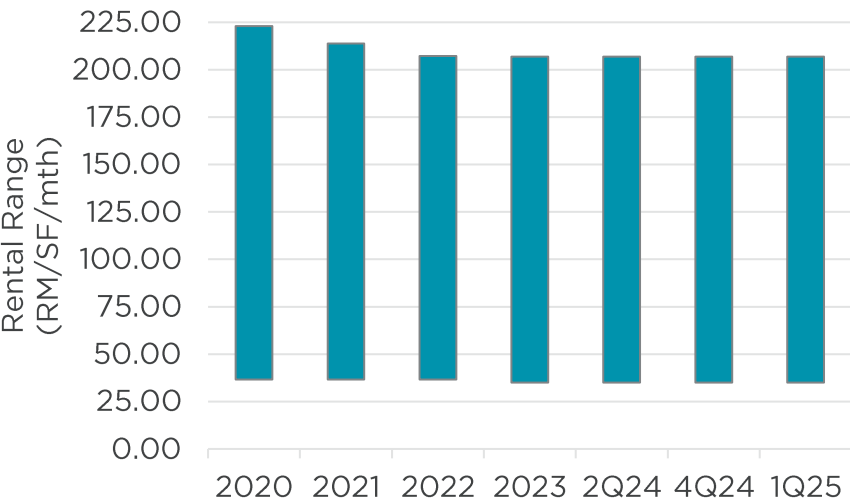
INCOME: POLICY MEASURES HELP CONTAIN INFLATION AND SUPPORT BUSINESS ENVIRONMENT

Moderate inflation has remained largely contained so far. Recent policy changes such as increased diesel prices and higher utility tariffs have had only a limited impact on overall price levels. Additionally, the government’s move to postpone the planned expansion of the Sales and Service Tax (SST), intended to support manufacturers and exporters facing a tougher business climate due to higher U.S. tariffs, is expected to help keep inflationary pressures in check.

EXISTING SUPPLY AND OVERALL VACANCY RATE



CBD PRIME RENTAL RANGE



MARKET STATISTICS

SUBMARKET	INVENTORY (MSF)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR (MSF)
KL CBD	14.87	10.6%	2.14
KL Fringe	15.16	16.2%	2.64
Decentralised	18.83	12.5%	2.50
TOTAL	48.86	39.3%	7.28

a) Inventory for all submarket is based on the total supply of shopping complex (all type).  
b) Shopping complex within KL Sentral, Bangsar and those within Damansara Heights vicinity are taken into consideration as KL Fringe submarket.  
c) Shopping complex 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 SIGNIFICANT NEW RETAIL PROJECTS

PROPERTY	SUBMARKET	NLA (SF)	TARGET COMPLETION
KLGCC Mall	KL Fringe	600,000	2025
Hextar World @ Empire City	Decentralised	1,800,000	2025
Pavilion Damansara Heights Mall (Phase 2)	KL Fringe	529,353	2025
(Refurbishment) – Plaza Alam Sentral	Decentralised	233,751	2025
Sunway Square Mall	Decentralised	300,000	2025
Coalfields Retail Park	Decentralised	TBC	2026
Maju Kuala Lumpur Mall	KL CBD	750,000	2026
118 Mall @ Merdeka 118	KL CBD	1,506,947	2026
Queens Mall Kuala Lumpur @ Queensville	KL CBD	412,000	2027
DA Central Mall	Decentralised	420,000	2028
IOI City Mall (Phase 3)	Decentralised	1,000,000	2029
IOI Rio City Mall	Decentralised	1,000,000	2030

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

INVESTMENT TREND/RETAIL DEVELOPMENT ACTIVITIES

- CJ Foodville, the parent company of Tous les Jours, has entered into a master franchise agreement with local distributor Stream Empire Holdings. The first outlet is slated to open at Sunway Pyramid Mall, followed by a second outlet at Sunway Velocity Mall.
- Sentral REIT is set to acquire UEM Sunrise’s retail assets in Mont Kiara for RM70 million.
- IOI Properties has introduced the Bangi Fresco retail hub, located within the 360-acre Bandar Puteri Bangi township in Bangi, Selangor.

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