

MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 29.73% Vacancy Rate | ▲ | ▲ |
| 16.76M QTQ Net Absorption, SF | ▲ | ▲ |
| RM 6.12 Avg. Asking Rent, PSF <i>(Overall, All Property Classes)</i> | ▲ | ▲ |

ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 5.2% GDP Growth | ▼ | ▼ |
| 1.4% CPI Growth <i>November 2025</i> | ▼ | ▼ |
| 3.0% Unemployment Rate <i>October 2025</i> | ▼ | ▼ |

Source: BNM, DOSM (Q3 2025)

ECONOMY: MALAYSIA'S GROWTH STRENGTHENS IN Q3 2025 AMID ROBUST SECTOR PERFORMANCE

Malaysia's economy grew 5.2% in Q3 2025, marking an improvement over the previous quarter and reflecting sustained momentum across key sectors. The Services sector grew 5.0%, slightly below Q2's 5.1%. Construction growth remained in double digits, slowing slightly to 11.8% from 12.1%. The Manufacturing sector recorded steady growth at 4.1%, and the Mining and Quarrying sector accelerated further to 9.7%. In contrast, the Agriculture sector slowed sharply, easing to 0.4% compared with 2.5% in Q2, underscoring persistent challenges despite the broader economic uptrend.

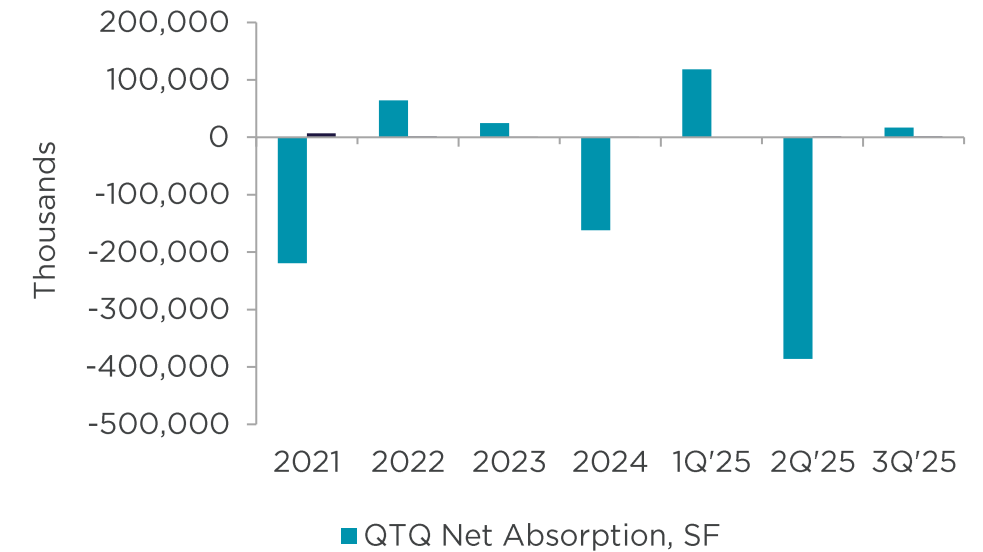
SUPPLY: NEW HIGH-SPEC OFFICE SUPPLY IN 2026 SET TO SHAPE TENANT MARKET DYNAMIC

The upcoming 2026 office supply pipeline is becoming a key point of discussion in the Kuala Lumpur market, with several large, high-spec developments scheduled for completion and expected to add further pressure to rental levels. While demand in 2025 has been steady, supported by multinational expansions and continued flight to quality, the volume of new space next year may intensify competition, particularly for older buildings struggling to retain tenants. Newer Grade A towers are likely to remain more resilient due to stronger demand for modern specifications and ESG features. Overall, the market is entering 2026 with cautious optimism, but the elevated supply pipeline is expected to keep rentals relatively soft and drive more tenant-friendly conditions.

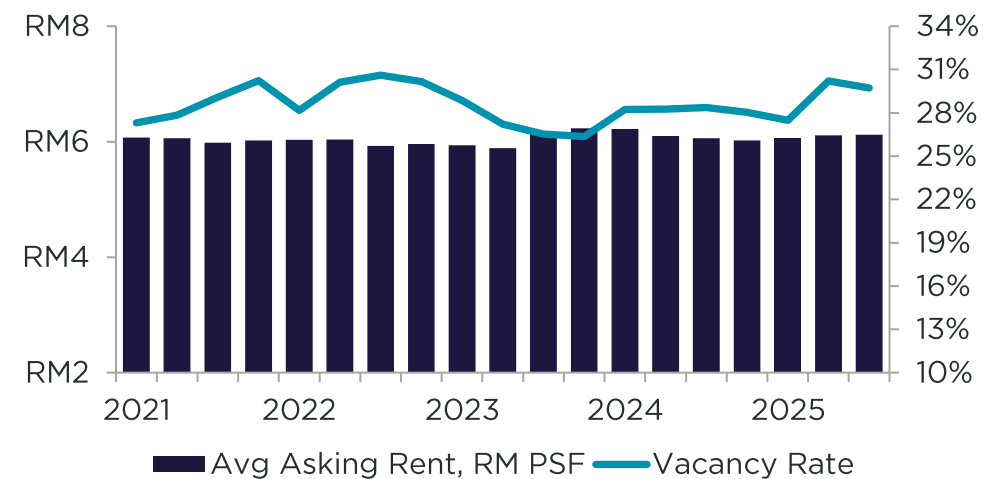
PRICING: GREATER KUALA LUMPUR OFFICE RENTS RISE MODESTLY AS VACANCY IMPROVES

In Q3 2025, the average asking rent in Greater Kuala Lumpur saw a modest increase, rising slightly to RM 6.12 psf per month, up from RM 6.11 in Q2 2025. The KL CBD recorded a marginal rise to RM 6.94 psf, compared to RM 6.92 in the previous quarter, while the KL Fringe also experienced a small increase, averaging RM 6.56 psf. The Decentralised submarket remained stable at RM 4.86 psf, unchanged from Q2. Despite these incremental rental gains, the overall vacancy rate improved, declining to 29.73% in Q3 2025, reflecting a slight tightening in market conditions.

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 | 60.55 | 27.9% | 10.93 | RM 6.94 | USD 1.69 |
| KL FRINGE | 49.28 | 32.7% | 3.83 | RM 6.56 | USD 1.59 |
| DECENTRALISED | 36.52 | 28.58% | 0.35 | RM 4.86 | USD 1.18 |
| TOTAL | 146.35 | 29.73% | 15.11 | RM 6.12 | USD 1.49 |

*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 |
|---|---------------|-----------|-------------------|
| Menara Golden Eagle | KL CBD | 112,000 | Q1 2026 |
| KL Midtown Signature & Corporate Office | KL Fringe | 600,000 | Q3 2026 |
| The Capitol | Decentralised | 1,200,000 | Q3 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 |
| Pavilion Damansara CT10 | KL Fringe | 215,152 | 2028 |
| 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

- Tencent inaugurated its expanded Kuala Lumpur office at Menara 1 Sentrum on 1 December 2025, and is targeting a headcount of 500 by the end of 2026.
- Mitraland Group launched Novva Nexus, a Grade A office tower in Klang with a gross development value of RM130 million, offering units from 1,048 sq ft and priced from RM671,000.
- UOA Development disposed of its business park assets to UOA REIT for RM200 million. The transaction included Tower 2A, Tower 2B, and the car park component of UOA Business Park.
- The Valiram family is set to acquire Lendlease's 40% interest in The Exchange TRX mall along with its full 60% stake in the adjoining TRX Campus office, in a deal valued at approximately RM1.1 billion.
- EMKAY Group is offering for sale a Grade A office building at Mercu Mustapha Kamal in NeoDamansara, Damansara Perdana, with a net lettable area of about 240,000 sf.
- Turiya shareholders have blocked the Wisma Sentral Inai deal, prompting chairman Shamir to take over the property unit to pursue completion of the acquisition.

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