MARKETBEAT
KUALA LUMPUR
RETAIL Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
4.58% CBD Prime Rental Growth	▼	▼
11.79% Vacancy Rate	▼	▲
RM3,000 Median Income	▲	▲

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.4% GDP Growth	▲	▲
2.0% CPI Growth *May 2026*	▼	▼
5.4% Consumer Spending Growth	▲	▲

Source: BNM, DOSM

ECONOMY: WHOLESALE AND RETAIL TRADE RECORDS CONTINUED EXPANSION

Malaysia's wholesale and retail trade sector continued to demonstrate steady growth into Q2 2026. In April 2026, the total sales value reached RM174.8 billion, representing a 15.3% year-on-year increase and a 3.5% month-on-month rise from March 2026. Growth was driven by all three sub-sectors, namely wholesale trade (+24.1%), motor vehicles (+15.5%), and retail trade (+6.3%). The volume index recorded 170.7 points, increasing 6.2% year-on-year and 0.4% month-on-month, while the seasonally adjusted volume index also rose 0.4% from the preceding month. The sustained increase in both sales value and volume index indicates continued expansion in wholesale and retail activities, supported by resilient domestic demand and stable consumer spending momentum in the early part of Q2 2026.

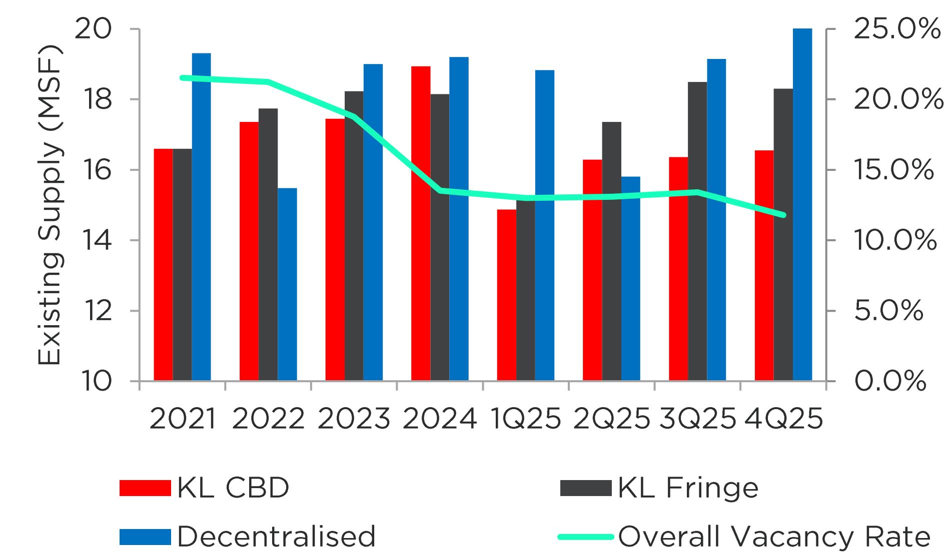
SUPPLY: SELECTIVE RETAIL EXPANSION DRIVEN BY NEW OPENINGS AND INTEGRATED DEVELOPMENTS

Retail supply in Q2 2026 was supported by new mall openings and integrated mixed-use developments, including 118 Mall and Ombak KLCC, shaping immersive retail, leisure, and lifestyle experiences for domestic and international tourists. At the same time, new supply continued to be concentrated within mixed-use and transit-oriented projects, where retail components serve as lifestyle and convenience anchors. Existing malls also continued to undergo asset repositioning and tenant remixing, with increased focus on F&B, leisure, and experiential concepts to sustain footfall amid changing consumer preferences. Overall, retail supply growth remains selective and quality-driven, anchored by landmark openings and experiential retail formats rather than large-scale expansion.

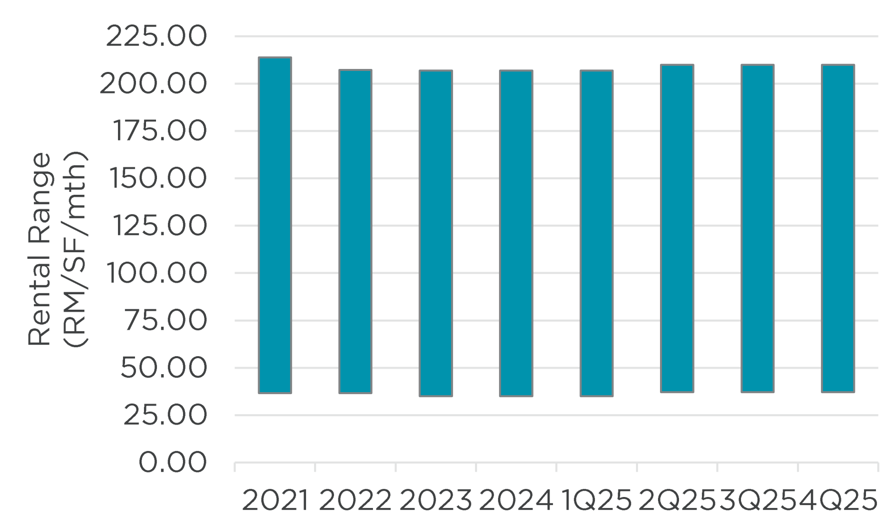
INCOME: TOURISM AND LANDMARK DESTINATIONS SUPPORTING RETAIL REVENUE GROWTH IN Q2 2026

Retail income in Q2 2026 was supported by tourism recovery and strong performance of landmark retail destinations, particularly in prime urban and integrated developments. Key city-centre and tourist-oriented malls benefited from higher visitor inflows, contributing to improved tenant sales and stable rental performance. This trend was reinforced by the positioning of retail assets as experience-led destinations, integrating entertainment, dining, and cultural offerings to strengthen visitor experiences attract both domestic and international visitors and further strengthen Kuala Lumpur's position as a regional retail and lifestyle hub.

EXISTING SUPPLY AND OVERALL VACANCY RATE



CBD PRIME RENTAL RANGE



MARKET STATISTICS

SUBMARKET	INVENTORY (MSF)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR (MSF)
KL CBD	16.35	8.7%	3.09
KL Fringe	18.02	15.9%	2.38
Decentralised	20.65	14.8%	1.30
TOTAL	55.02	39.4%	5.60

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
Coalfields Retail Park	Decentralised	1,000,000 (GBA)	Q3 2026
Ombak KLCC	KL CBD	420,000	Q3 2026
118 Mall @ Merdeka 118	KL CBD	1,506,947	Q4 2026
KL Midtown Mall	KL Fringe	500,000	Q4 2026
(Refurbishment) – Plaza Alam Sentral	Decentralised	233,751	Q4 2026
KL Midtown Retail Mall	KL Fringe	500,000	Q4 2026
Pavilion Damansara Heights Mall (Phase 2)	KL Fringe	529,353	2026
Maju Kuala Lumpur Mall	KL CBD	750,000	2026
Queens Mall Kuala Lumpur @ Queensville	KL Fringe	412,000	2027
Sunway Pier	Decentralised	400,000	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

- *Ikano Centres launched two new dining concepts, IPC Gourmet Hall at IPC Shopping Centre and Toppen Foodland at Toppen Shopping Centre, with both destinations targeted to open in December 2026.*
- *KLK Land is set to open Coalfields Retail Park in Sungai Buloh on 20 August 2026 with 85% occupancy secured ahead of launch.*
- *IJM Land Bhd and Amona Group achieve 25% leasing commitment at Enlace Shoppes, Pantai Sentral Park.*
- *CapitaLand Malaysia Trust is acquiring Setapak Central Mall in Kuala Lumpur for RM435 million to strengthen its retail portfolio and support long-term income growth.*
- *118 Mall is set to open in November 2026 within the Merdeka 118 precinct in Kuala Lumpur as a new landmark retail and lifestyle destination.*
- *Setia Awan secures seven brands for Avenue F neighbourhood mall in Bukit Ampang Permai*
- *Sime Darby Property's Elmina Lakeside Mall wins FIABCI World Gold Award in Retail category*

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