

MARKETBEAT
KUALA LUMPUR
RETAIL Q3 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
3.3% CBD Prime Rental Growth	▼	▼
12.53% Vacancy Rate	▼	▲
RM3,027 Median Income	▲	▲

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
6.0% GDP Growth	▲	▲
1.9% CPI Growth *August 2026*	▼	▼
6.0% Consumer Spending Growth	▲	▲

Source: BNM, DOSM

ECONOMY: WHOLESALE AND RETAIL TRADE SUSTAINS POSITIVE GROWTH

Malaysia's wholesale and retail trade sector sustained positive growth at the beginning of Q3 2026. In July 2026, total sales value rose 9.0% year-on-year to RM170.5 billion, following a 1.2% month-on-month increase from June. Growth was recorded across all three sub-sectors, with wholesale trade leading at 11.7%, followed by motor vehicles at 7.9% and retail trade at 6.4%. The volume index also grew 4.1% year-on-year to 172.2 points, while the seasonally adjusted volume index increased 1.0% month-on-month. The continued expansion points to sustained trading activity, supported by resilient domestic demand and stable consumer spending.

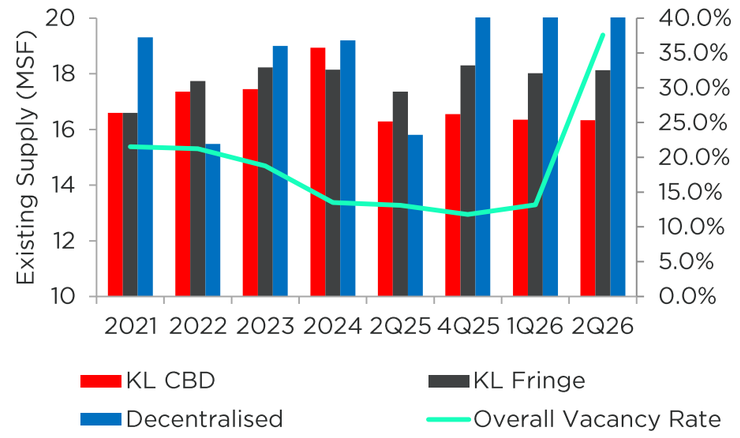
SUPPLY: OMBAK KLCC STRENGTHENS PRIME RETAIL SUPPLY IN THE KLCC PRECINCT

The opening of Ombak KLCC in 3Q 2026 expands the retail offering within the KLCC precinct, introducing additional space for retail, F&B and lifestyle operators. The development complements the existing concentration of established shopping destinations in the area and enhances the overall retail mix available to both local and international consumers. Its entry is expected to reinforce the KLCC precinct's attractiveness to premium and international retailers, while providing further opportunities for brands seeking a presence within Kuala Lumpur's established prime retail catchment.

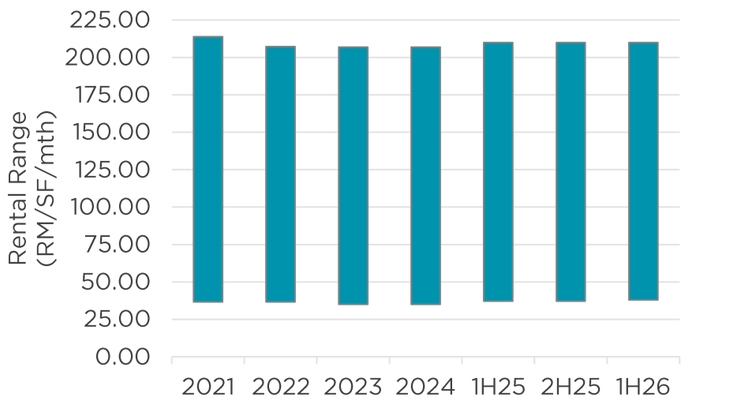
INCOME: TOURISM, EXPERIENTIAL RETAIL AND NEW OPENINGS SUPPORT REVENUE GROWTH

Retail revenue performance in Q3 2026 is expected to remain supported by sustained tourism activity, consumer spending and growing demand for experiential retail. Increased visitor traffic, particularly at major shopping and lifestyle destinations, is providing retailers with stronger opportunities to capture tourist and discretionary spending. At the same time, new retail openings and the introduction of lifestyle, F&B and entertainment concepts are expected to broaden the consumer offering and generate additional footfall. These factors should support revenue growth while encouraging retailers to adopt more experience-driven formats to attract and retain consumers.

EXISTING SUPPLY AND OVERALL VACANCY RATE



CBD PRIME RENTAL RANGE



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RETAIL Q3 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (MSF)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR (MSF)
KL CBD	16.33	9.1%	1.66
KL Fringe	18.13	12.8%	2.18
Decentralised	20.65	15.7%	0.13
TOTAL	55.10	37.58%	3.97

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
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 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

- *Ombak KLCC officially opened, marking the opening of a new seven-storey lifestyle mall in the KLCC precinct, with approximately 420,000 sq ft of retail space and around 120 retail lots.*
- *Coalfields Retail Park officially opened, spanning 21 acres with approximately 1.0 million sq ft of gross built-up area and 135 retail lots and is targeting full occupancy by 1Q2027. .*
- *Valiram Group completed the acquisition of a 40% stake in The Exchange TRX mall and a 60% stake in the adjacent TRX Campus office from Australian property developer Lendlease Group.*
- *UEM Sunrise partnered with EXSIM KLCC to develop a 1.59-acre site at Jalan Ampang into a mixed-use development comprising a hotel, hotel residences and retail mall, targeted for completion by 2036.*
- *KIP REIT's RM435 million acquisition of Setapak Central Mall became unconditional on 23 July 2026, with the mall recording 99.9% occupancy*
- *AEON Mall KL Midtown is targeting approximately 75% occupancy upon opening in Q4 2026.*

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