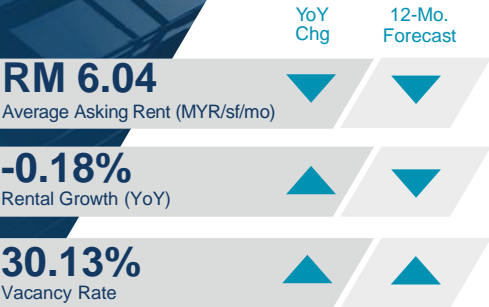
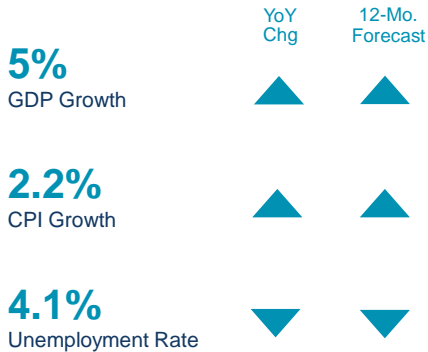


Office Q2 2022



Source: IVPS / Cushman & Wakefield Research

MALAYSIA ECONOMIC INDICATORS Q1 2022



Source: Department of Statistics Malaysia

Malaysia Economy Set For Further Growth

The transition to the Covid-19 endemic phase, which began on April 2022, is expected to boost domestic economy activity positively. However, the growth induced by the Covid-19 endemic phase may be neutralized by adverse and inter-related developments abroad, such as the war in Ukraine and inflationary pressures in developed economies. Overall, Malaysia's economic performance in 2022 expanded further to 5.0% compared to 3.6% in fourth quarter of 2021. In terms of seasonally adjusted, GDP moderated at 3.9% in this quarter (Q4 2021: 4.6%). From the current economic standing, the economic performance for the first quarter of 2022 has surpassed the level of first quarter 2019 by 5.2% attributed by the strong growth in Manufacturing sector (Q1 2022: 6.6%) and Services sector (Q1 2022: 6.5%). Meanwhile, on the demand side, the growth was underpinned by the expansion in the household consumption expenditure and a turn around in Gross fixed capital formation in this quarter. Following this transition, Malaysia's economy prospect is picking up momentum and anticipating to play a pivotal role in shaping the national economy in the coming months.

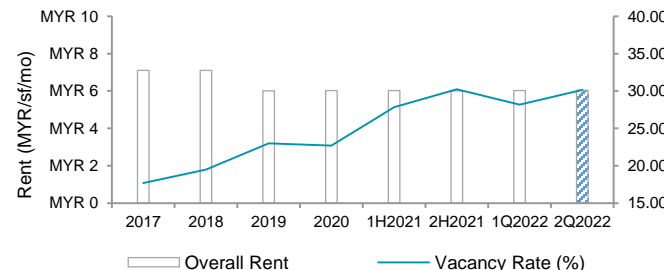
Demand For Flexible Office Workspace is Expected to Grow

While many companies adopting the remote working indefinitely depending on the nature of the business, office spaces will still be relevant if companies want to bring their team back together. We have witnessed many companies refresh their workspace to suit their corporate identity, comfortable yet ergonomic design to drive better workflow and ultimately encouraging employees to produce quality work. In addition, they are changing the way the office works by incorporating a little bit of home element to strike a good balance between comfort and productivity e.g. a different desk view, a nap pod to refresh the mind, quiet phone booths for privacy discussions etc.

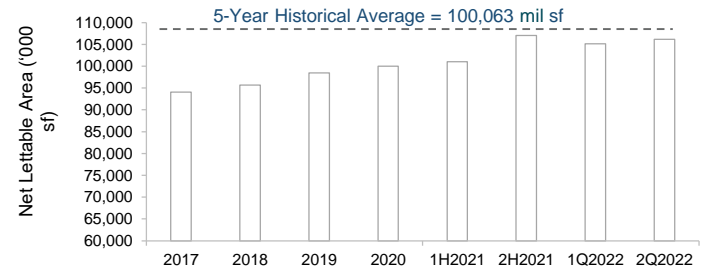
Rental Rates Remained Stable for out of CBD location

Starting mid of Q2 2022, some of landlords in KL CBD area are slowly increasing asking rents despite its occupancy rates being under pressure owing to demand is focus mainly on KL Fringe and decentralized areas. Thus, landlords are expected to provide competitive offerings in order to attract / retain the tenants and new occupiers. On the other hand, it is anticipated that rental rates for outer KL shall relatively remained stable supported by good demand from life science, technology, GBS occupiers and financial services including the Fintech industry as Malaysia had recently granted digital banking licenses to several companies. Other factors contributing to the demand is due to good connectivity to trains and roads, integrated development and good provision of office specifications.

ALL GRADE CBD OVERALL RENT & VACANCY RATE



ALL GRADE CBD SUPPLY PIPELINE



Office Q2 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SF)	GRADE A AVERAGE FACE RENT		
				MYR/SF/MO	US/SF/MO	EUR/SF/MO
KL CBD	58.76 million	28.30%	9.37 million	MYR 6.82	US\$1.55	€ 1.45
KL Fringe	47.37 million	32.90%	1.90 million	MYR 6.42	US\$1.46	€ 1.36
Decentralized Area	34.10 million	29.19%	1.09 million	MYR 4.89	US\$1.11	€ 1.04
TOTAL	140.23 million	30.13%	12.36 million	MYR 6.04	US\$1.37	€ 1.28

- a) Cumulative space for all sub-markets are based on total supply of office space (all grades)
 b) Office Space within KL Sentral/Pantai/Bangsar and those within Damansara Heights are taken into consideration as KL Fringe
 c) Office Space within Petaling Jaya territory, Damansara, Kelana Jaya, Sunway/Subang Jaya/USJ and Shah Alam are taken into consideration as Decentralised Area

Source: National Property Information Centre (NAPIC) & IVPS / Cushman & Wakefield Research

PROPERTY	SUBMARKET	(NLA) SF	COMPLETION DATE
Affin Bank Tower @ TRX	KL CBD	823,439	2022
KL Eco City Aspire Tower	KL Fringe	650,000	2022
Sunway V2 Tower	KL Fringe	362,400	2022
Merdeka 118	KL CBD	1,700,000	2022
Pavilion Damansara	KL Fringe	1,500,000	2023
Sunway CP2 Office Tower	Decentralised	553,629	2023
Sunsuria Forum Corporate Office	Decentralised	317,720	2023

INVESTMENT TREND/ OFFICE DEVELOPMENT ACTIVITIES

- A German multinational pharmaceuticals company has relocated to Imazium from their current office in Mutiara Damansara with size taken approximately 11,000 sqft.
- An American global media and marketing company decided to relocate their business to Imazium with 13,508 sqft.
- SunwayXFarms, a Malaysia-based agritech company will occupy 3 floors spanning 37,000 sqft in Sunway Tower to launch its KL city centre's largest indoor vertical farm.
- Luxchem has entered into SPA with Worldwide Emergency Assistance to purchase the whole of Block N at Jaya One, Petaling Jaya, built up area of 28,578.2 sqft, with a 99 years leasehold tenure due to expire on May 28, 2105.

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