

KUALA LUMPUR

Retail Q2 2024

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast



Source: IVPS / Cushman & Wakefield Research

MALAYSIA ECONOMIC INDICATORS Q1 2024

YoY Chg 12-Mo. Forecast



Source: BNM, Department of Statistics Malaysia

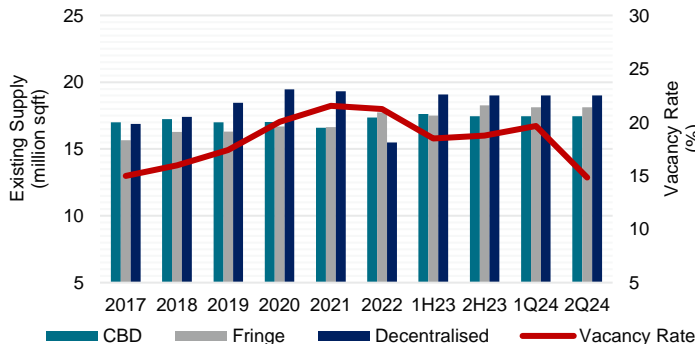
The Retail Sector Has Reach a Historic Peak of RM145.7 Billion

Malaysia's wholesale and retail trade experienced a 5.2% rise, with monthly sales amounting to RM145.7 billion compared to the same month the previous year. Wholesale trade grew by 4.0%, or RM2.5 billion, reaching RM64.1 billion. Motor vehicles recorded a 3.2% increase, or RM0.6 billion, totaling RM18.8 billion. In the 1Q 2024, the volume index grew by 3.7% year-over-year, reaching 152.8 points. This increase was driven by the motor vehicles sub-sector, which rose by 4.7% to 134.1 points, followed by the retail and wholesale sectors, which increased by 3.8% and 3.5%, respectively. In the monthly comparison, there was a 3.3% increase from the previous month, primarily driven by a 3.0% rise in Wholesale Trade. Following this was the motor vehicles sub-sector, which grew by 8.3%, and the retail trade sub-sector, which recorded a 2.1% increase.

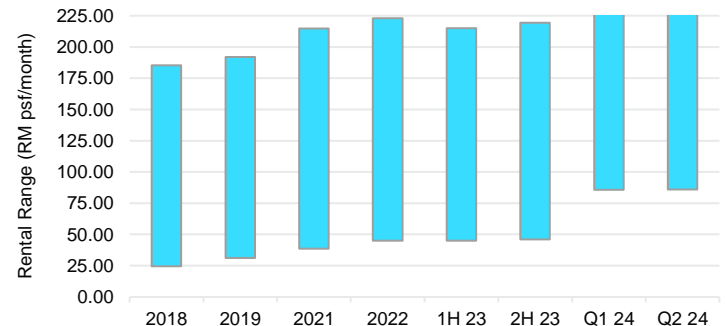
The Increase in Wholesale and Retail Trade Indicates a Dynamic and Progressive Economy

Malaysia's wholesale and retail trade grew by 5.2%, reflecting a dynamic and progressive domestic economy. This growth is driven by a 7.1% rise in the retail trade sector, amounting to an increase of RM4.2 billion, bringing the total to RM62.8 billion. The improved wholesale and retail sales performance indicates that current actions, monitoring and enforcement efforts are effective and on the right track. One potential cause could be the policy allowing all EPF members to withdraw savings from Account 3 (Flexible) at any time for any purpose starting from May 11, 2024. This increases purchasing power and helps to boost the economy. In addition to enforcing existing laws and regulations, the market is also displaying a positive response. The government's subsidy rationalisation is not about cutting or eliminating subsidies. Instead, it aims to ensure they reach the intended recipients. This approach will allow the government to enhance cash assistance to the public. It also underscores the importance of providing assurances of protection and social support for citizens alongside these measures. It is not only to enforce current laws and regulations, there is also a noticeable positive market response.

Greater KL Existing Supply and Vacancy Rate



CBD Prime Rental Range



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SF)
KL CBD	17.45 million	15.2%	1.24 million
KL Fringe	18.13 million	17.5%	2.71 million
Decentralised Area	19.00 million	11.8%	2.50 million
TOTAL	54.58 million	14.8%	6.45 million

SIGNIFICANT NEW RETAIL PROJECTS

PROPERTY	SUBMARKET	(NLA) SF	TARGETED COMPLETION
Warisan Merdeka Mall @ 118	KL CBD	1,560,767	2024
Pavilion Damansara Heights Mall (Phase 2)	KL Fringe	529,353	2024
Mall @ The Loft Maju KL (Phase 1)	KL CBD	1,000,000	2026
Q Mall @ Queensville	KL CBD	412,000	2026

INVESTMENT TREND / RETAIL DEVELOPMENT ACTIVITIES

- Hong Leong Investment Bank Bhd anticipates that the acquisitions of W Hotel and Courtyard will positively impact IOI Properties Group Bhd's earnings, with contributions expected to begin from the fourth quarter of the financial year 2024 for W Hotel and continuing into the financial year 2025 for Courtyard.
- Sunway Property has inked a leasing deal with GCH Retail for the establishment of a Mercato supermarket within the retail area of Sunway d'Hill in Kota Damansara.
- The Holiday Inn Express hotel located in Kuala Lumpur's city center has been put up for sale.
- The renowned eCurve mall in Mutiara Damansara will be closing down as it gets ready for demolition to make space for a new residential development called The Lines.
- KIP REIT to acquire the DPulze Shopping Centre for RM320 million.

TIFFANY GOH

Country Manager – Occupier Services
+6012 299 2778 | tiffanygoh@ivpsmalaysia.com

FARINA BASAR

Occupier Services – Transaction Management
+6018 663 4117 | norfarina@ivpsmalaysia.com

cushmanwakefield.com

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