

## MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>28.37%</b> Vacancy Rate	▲	▲
<b>-21.38M</b> QTQ Net Absorption, SF	▲	▲
<b>RM 6.06</b> Avg. Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▼

## ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>5.9%</b> GDP Growth	▲	▲
<b>1.9%</b> CPI Growth <i>August 2024</i>	▲	▲
<b>3.3%</b> Unemployment Rate <i>July 2024</i>	▼	▼

*Source: BNM, DOSM (Q2 2024)*

## ECONOMY: MALAYSIA'S ECONOMIC GROWTH TO IMPROVE

In Q2 2024, Malaysia's economy showed strong growth with a 5.9% increase in GDP, up from 4.2% in the previous quarter. After seasonal adjustments, GDP grew by 2.9%, compared to 1.5% in Q1 2024. All sectors saw improvement, with the Services and Manufacturing sectors leading the growth. On the demand side, the economy was mainly driven by private consumption and investment. The economy was valued at RM472.4 billion at current prices and RM400.7 billion at constant prices. Overall, Malaysia's economy grew by 5.1% in the first half of 2024, compared to 4.1% in the same period in 2023.

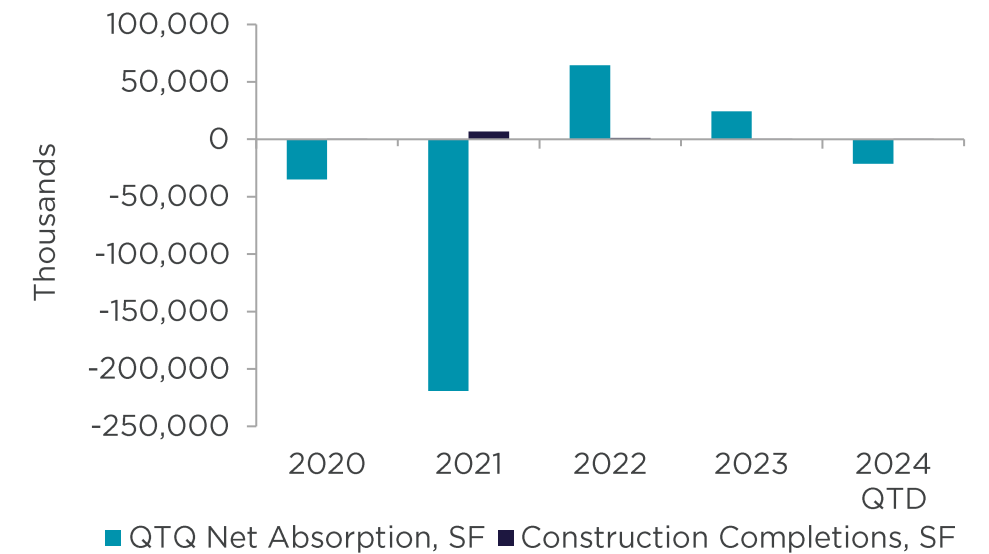
## DEMAND: OCCUPIERS OPT FOR OFFICE SPACES WITH ESG PRINCIPLES

In Malaysia, demand for office spaces following Environmental, Social, and Governance (ESG) principles is rising as more occupiers, especially MNCs, seek to enhance their image and attract investors. These occupiers now expect landlords to share their plans for ESG compliance during office space sourcing. While many new buildings are already green-certified, older buildings face pressure to upgrade to meet these standards or risk losing tenants. Energy-efficient designs and systems are seen as offering long-term cost savings, driving real estate developers to create more sustainable office spaces to meet this growing demand.

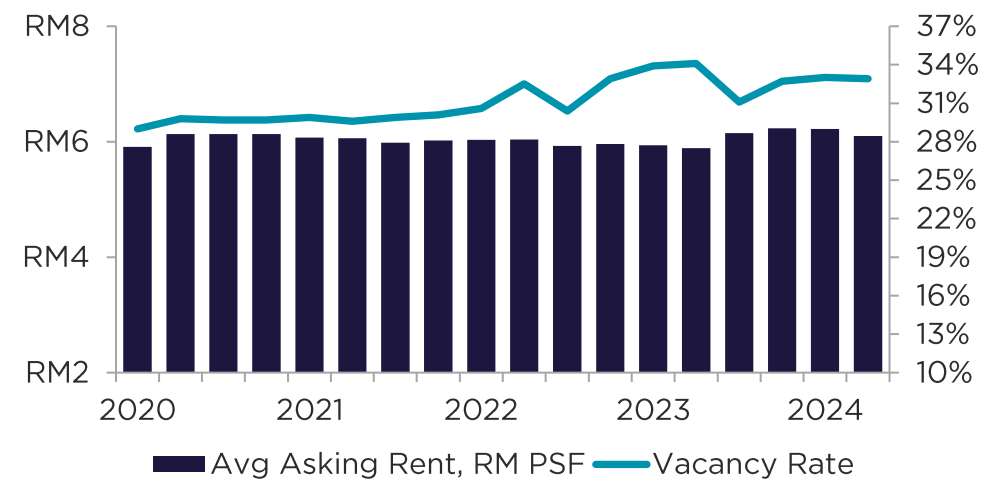
## PRICING: ANTICIPATED IMPROVEMENT IN RENTAL AND OCCUPANCY RATES

The overall average asking rent in Greater KL recorded slight decrease of 0.62% to RM 6.06 psf per month (Q2'24: RM 6.10). Both KL CBD and Fringe average rental rates slightly decrease to RM 6.83 and RM 6.56 psf per month respectively while a modest increase in Decentralised area noted at RM 4.80 psf per month. The vacancy rate gradually increased to 28.37% due to injection of newly constructed office buildings, expected to improve with positive take-up rate in prime offices within Fringe submarket.

## 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	60.74	28.10%	11.94	RM 6.83	USD 1.60
KL FRINGE	49.66	36.70%	2.34	RM 6.56	USD 1.53
DECENTRALISED	35.35	20.30%	0.65	RM 4.80	USD 1.12
<b>TOTAL</b>	<b>145.75</b>	<b>28.37%</b>	<b>14.93</b>	<b>RM 6.06</b>	<b>USD 1.42</b>

\*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
Sunway Square Tower 2	Decentralised	553,629	Q1 2025
Sunsuria Forum Corporate Office	Decentralised	318,550	Q1 2025
Sunway Square Tower 1	Decentralised	432,500	Q4 2025
Pavilion Damansara CT10	KL Fringe	215,152	Q4 2025
The Exchange TRX Campus Office	KL CBD	200,000	2025/2026
The Capitol	Decentralised	1,200,000	Q4 2026
Bangsar 61 (Tower 1)	KL Fringe	548,000	Q4 2026
Duo Tower (Tower B)	KL Fringe	432,212	2027

\*Target completion = Building completion with Certificate of Completion and Compliance (CCC)

INVESTMENT TREND/OFFICE DEVELOPMENT ACTIVITIES

- Menara PJD, a fully tenanted 28-storey office building is back on the market for sale valuing RM 289 million.
- ArcBlue expanded their office footprints within APAC, set up its 11th office in Bangsar, Kuala Lumpur.
- Taiwan based E.SUN Bank set up their new office in Menara Exchange 106, Persiaran TRX.
- SAS, a global leader in data and AI, recently opened their new regional office in Menara IQ, Persiaran TRX.

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