

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
1.24% CBD Prime Rental Growth	▲	▲
14.85% Vacancy Rate	▼	▼
RM2,844 Median Income	▲	▲

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.9% GDP Growth	▲	▲
1.9% CPI Growth August 2024	▲	▲
3.5% Consumer Spending Growth	▲	▲

Source: BNM, DOSM (Q2 2024)

ECONOMY: MALAYSIA'S WHOLESALE & RETAIL TRADE SALES RISE

Sales value of Wholesale & Retail Trade recorded RM149.2 billion in August 2024, grew 4.7% year-on-year. The positive growth was contributed by all sub-sectors, namely Retail Trade 5.9%, Motor Vehicles 4.1%, and Wholesale Trade 3.7%. Meanwhile, for month-on-month comparison, sales value increased 0.1%. In terms of volume index, Wholesale & Retail Trade registered a growth of 3.8% year-on-year to record 158.6 points. The increase was supported by Retail Trade 4.0%, Wholesale Trade 3.8%, and Motor Vehicles 2.8%. For monthly comparison, volume index edged up 0.3%, contributed by Retail Trade 0.9%.

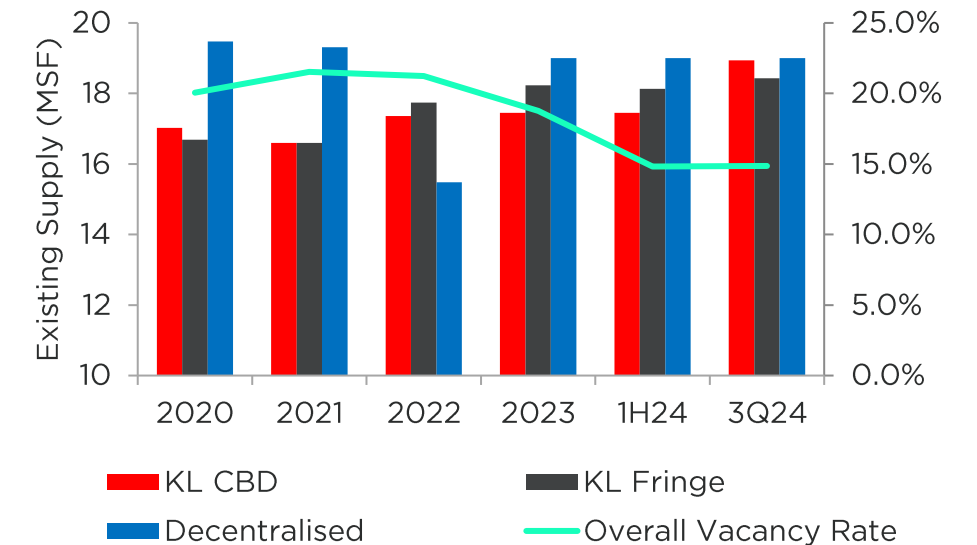
SUPPLY: ELMINA LAKESIDE MALL

The Elmina Lakeside Mall, which had its soft launch in August, serves as the lively focal point of Elmina City Centre, set amidst the beautiful greenery of Shah Alam. Designed with an open layout spanning over 214,000 sf of NLA, the mall primarily occupies the ground floor, with a few steps leading to a second level in select stores. The shops are spaced out in a minimalist style, giving the appearance of charming, container-like units. The mall has reached over 98% occupancy and attracted over 180,000 patrons throughout its opening week.

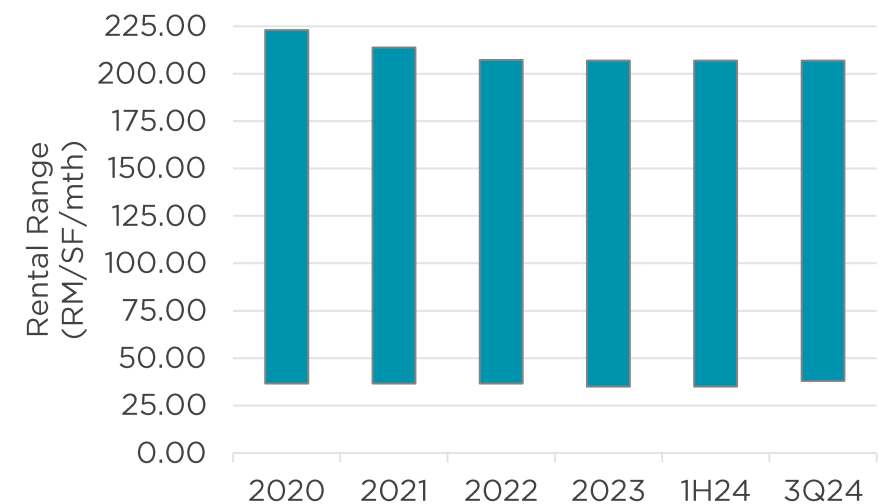
CONSUMER: RE-EVALUATE SPENDING HABITS DUE TO INFLATION

Malaysia's retail sector is expected to experience slower growth in the second quarter of 2024 due to rising inflation and more cautious consumer spending. The economic pressures are predicted to result in reduced sales growth across various retail segments, as consumers prioritize essentials and limit discretionary spending. However, the food and beverage sector may prove more resilient due to its essential nature, allowing it to maintain steady demand. Despite these challenges, analysts believe certain retail sectors with strong consumer demand could still perform well, although the overall outlook remains cautious.

EXISTING SUPPLY AND OVERALL VACANCY RATE



CBD PRIME RENTAL RANGE



MARKET STATISTICS

SUBMARKET	INVENTORY (MSF)	OVERALL VACANCY RATE	PLANNED & UNDER CNSTR (MSF)
KL CBD	18.94	15.3%	2.14
KL Fringe	18.43	17.4%	2.41
Decentralised	19	11.8%	2.5
TOTAL	56.37	14.8%	7.05

- 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
Pavilion Damansara Heights Mall (Phase 2)	KL Fringe	529,353	2024
Warisan Merdeka Mall	KL CBD	1,560,767	2024
(Refurbishment) – Plaza Alam Sentral	Decentralised	233,751	2025
Maju Kuala Lumpur Mall	KL CBD	750,000	2026
Queens Mall Kuala Lumpur @ Queensville	KL CBD	412,000	2027

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

INVESTMENT TREND/RETAIL DEVELOPMENT ACTIVITIES

- Sunway Pyramid sets to unveil Oasis, its reconfigured retail space spanning over 250,000 sf across 4-levels to attract high-yielding tenants and increase footfall.
- Elmina Lakeside Mall spanning over 400,000 sf sets to open by end of August 2024, features a refreshing al fresco retail concept and nature elements such as lakeside dining venues, landscaped walkways, water features and natural settings.
- IOI Properties is acquiring Tropicana Gardens Mall, a 7-storey mall across 1.05 million sf NLA with 77% occupancy rate at RM680 million.
- Coach sets to launch its first Coach Play experience in Bangsar by end of September 2024, in collaboration with A Place Where (APW). The concept store spans approx. 7,500 sf – the first of its kind in Southeast Asia.
- Canadian coffee chain, Tim Hortons sets to open its first two outlets in Malaysia within August 2024, partnering with Singapore market franchisee Marubeni Growth Capital.

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