

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
1.24% CBD Prime Rental Growth	▲	▲
20.18% Vacancy Rate	▲	▲
RM2,745 Median Income	▼	▼

Source: C&W / IVPS Research

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
5.3% GDP Growth	▼	▼
1.8% CPI Growth November 2024	▼	▼
3.8% Consumer Spending Growth	▲	▲

Source: BNM, DOSM (Q3 2024)

ECONOMY: WHOLESALE & RETAIL TRADE SALES IN MALAYSIA REMAINED STABLE

Malaysia's wholesale and retail trade sector experienced a 3.8% year-on-year (y-o-y) growth in September 2024, reaching total sales of RM148.2 billion. Wholesale trade accounted for RM66.5 billion, marking a 3.6% increase, while retail trade recorded a 5.5% growth, totaling RM64.4 billion in sales. However, the motor vehicles sub-sector faced a slight dip of 1% in sales, amounting to RM17.3 billion, with motor vehicle sales specifically declining by 10.3%. The volume index for wholesale and retail trade in September rose by 3.5% y-o-y. Wholesale trade grew by 4.8%, retail trade increased by 3.8%, while the motor vehicles sector experienced a 2.4% drop in volume. On a month-on-month basis, the seasonally adjusted volume index decreased by 1.9%.

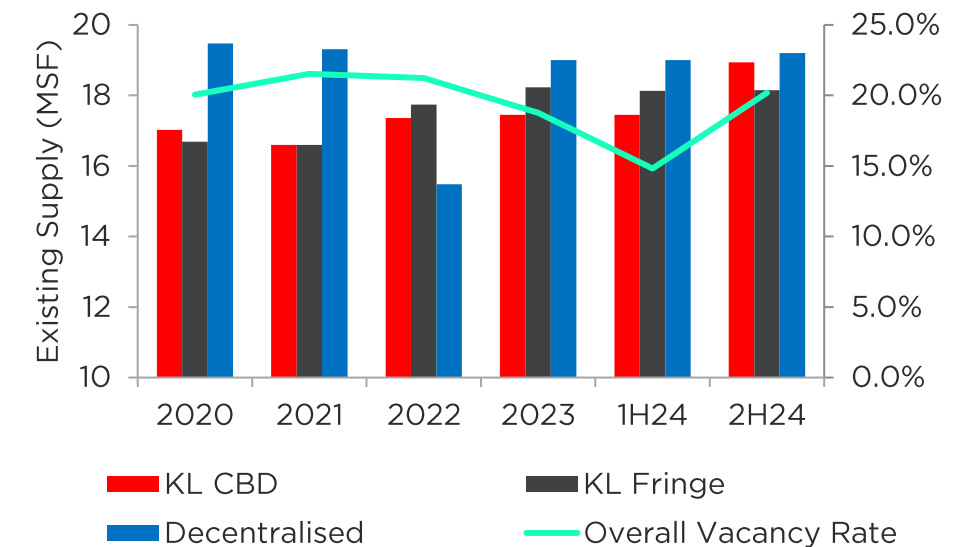
SUPPLY: NEW SHOPPING MALLS HAVE OUTSHONE THE OLDER, EXISTING ONES

The rise of new shopping malls in Malaysia has created competition for older malls, particularly those built in the 1990s and earlier. The old shopping malls were once a popular destination for shoppers. However, the emergence of newly developed malls, which offer more spacious environments and a wider range of retail options, has shifted the spotlight. New malls that located in the heart of the city, have become major attractions, featuring branded tenants that cater to contemporary lifestyles. Regional malls like Suria KLCC and Pavilion are older shopping malls, yet they continue to draw many shoppers due to their prime location.

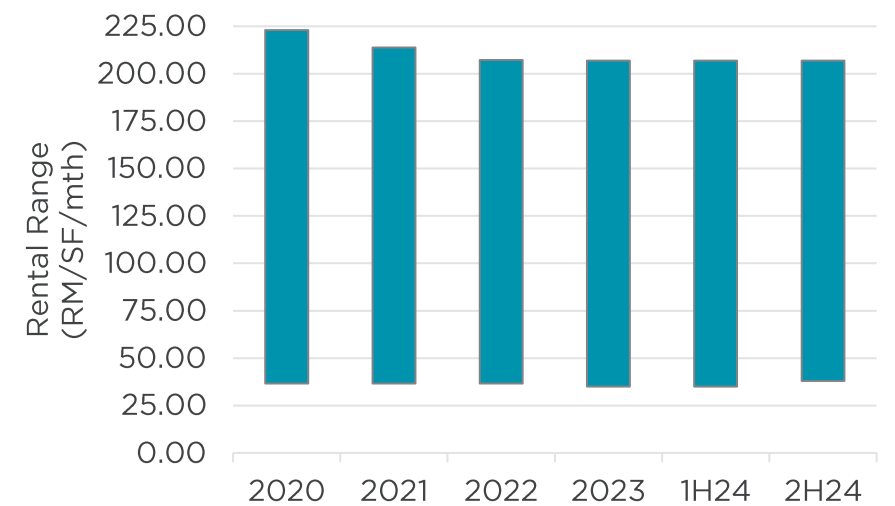
CONSUMER: RETAILERS SET TO SEE BOOSTED SALES IN 2H 2024

Malaysia's retail sector is expected to grow in the second half of 2024, despite the high cost of living. Retail sales are likely to benefit from an increase in foreign tourist arrivals, with tourist spending anticipated to rise. Factors such as employment and wage growth, along with supportive policy measures, will continue to bolster household spending. Withdrawals from the Employees Provident Fund (EPF) Account 3 or wage hikes for civil servants may have a notable impact on retail sales. These factors can drive growth in the retail sector by enhancing purchasing power.

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	12.1%	2.14
KL Fringe	18.15	16.8%	2.41
Decentralised	19.2	31.7%	2.5
TOTAL	56.29	20.2%	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	2025
118 Mall @ Merdeka 118	KL CBD	1,506,947	2025
(Refurbishment) – Plaza Alam Sentral	Decentralised	233,751	2025
KLK Retail Centre	Decentralised	TBC	2025
Maju Kuala Lumpur Mall	KL CBD	750,000	2026
Queens Mall Kuala Lumpur @ Queensville	KL CBD	412,000	2027
DA Central Mall	Decentralised	420,000	2028

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

INVESTMENT TREND/RETAIL DEVELOPMENT ACTIVITIES

- Sunway REIT has finalized the acquisition of 163 Retail Park for RM215 million and will rebrand the property as Sunway 163 Mall.
- KIP REIT has completed the acquisition of D’Pulze Shopping Centre in Cyberjaya for RM320 million.
- Luckin Coffee has formed a partnership with Hextar Industries for its planned launch in Malaysia in 2025.
- Xiaomi has opened its first retail store at IPC Shopping Centre, which will be directly operated and managed by Xiaomi Malaysia.
- Ediya Coffee from South Korea has opened its first outlet in Malaysia, featuring a two-storey, drive-thru location at Elmina Lakeside Mall.
- Retail consumption in the first ten months of 2024 reached RM634.2 billion, exceeding last year’s figures, driven in part by a surge in international tourist arrivals, which totaled 22.5 million by November.

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