

INDEPENDENT PROPERTY MARKET REPORT

Independent Property Market Report | April 2025



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Dear Sir/Madam,

INDEPENDENT PROPERTY MARKET RESEARCH REPORT FOR THE INITIAL PUBLIC OFFERING OF PARADIGM REAL ESTATE INVESTMENT TRUST

Savills (Malaysia) Sdn Bhd ("Savills") was commissioned by Paradigm REIT Management Sdn Bhd ("Paradigm REIT Management") to provide an Independent Property Market Research Report ("Report") for the specific purpose of inclusion in Paradigm Real Estate Investment Trust's ("Paradigm REIT") Prospectus, in connection with Paradigm REIT's proposed initial public offering and listing of Paradigm REIT on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). This Report is required for submission to the Securities Commission Malaysia ("SC") and/or relevant parties, in accordance with the requirements of the Prospectus Guidelines issued by the SC.

It is understood that RHB Trustees Berhad, being the proposed trustee for Paradigm REIT, will, on behalf of Paradigm REIT, acquire a portfolio of real estate used primarily for retail purposes — namely Bukit Tinggi Shopping Centre, Paradigm Mall Petaling Jaya, and Paradigm Mall Johor Bahru (collectively referred to as the "Subject Properties"). Accordingly, this Report aims to provide an overview of the retail property market in Selangor and Iskandar Malaysia, Johor. This includes a macroeconomic overview, regulatory overview, state-level economic outlook, and submarket analysis relevant to the Subject Properties.

In accordance with our normal practice, we would state that this Report has been prepared for general information purpose only and do not constitute a formal valuation, appraisal or recommendation. It is only for the use of the person to whom it is addressed and we accept no responsibility to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be subject to review at regular intervals.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills (Malaysia) Sdn Bhd (Company no. 199501004315 (333510-P))



VEPM(1)0232



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While reasonable care has been exercised in preparing the Report, it is subject to change and these particulars do not constitute, nor constitute part of, an offer or contract. Interested parties should not rely on the statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy. The estimates and conclusions contained in this Report have been conscientiously prepared in light of our experience in the property market and information that we were able to collect.

This Report is subject to the following limiting conditions:

- The projections/estimates made by Savills are based on public and private sources, as well as internal estimates that are subject to change and may prove to be incorrect. Readers of the information should be aware that actual results may differ from those projected/estimated. In light of the limitations on the projections/estimates and information described above, readers are cautioned not to place undue reliance on this information.
- Any plan or map in this Report is included to assist the readers in visualising the Subject Properties. We have made no survey of the Subject Properties and assume no responsibility in connection with such matters.



For and on behalf of
SAVILLS (MALAYSIA) SDN BHD

DATUK SR. PAUL KHONG
MRICS FRISM APEPS
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Managing Director



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April 2025

Prepared For:
PARADIGM REIT

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1.0 Terms of Reference

Savills (Malaysia) Sdn Bhd ("Savills") was commissioned by Paradigm REIT to provide an Independent Property Market Report ("Report") for the purpose of Paradigm REIT's Initial Public Offering ("IPO") and listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Report aimed to satisfy the following scope of work:

- (A) Economic Overview and Outlook:** An overview of the Malaysian, Selangor and Johor economies focusing on macroeconomic indicators was presented in this section.
- (B) Property Market Overview and Outlook:** An assessment of the retail property market in Selangor and Johor. This included an overview of demand and supply as well as the outlook for the retail property markets in general.

Review of REIT Portfolio and Outlook: A review of the portfolio under the REIT from the perspectives of location, trade area, and performance analysis, as well as SWOT and comparative analysis. Subsequently, outlook commentary on the assets was also provided based on market findings.

This Report is subject to the following limiting conditions:

- Neither the whole nor any part of this Report or any reference to it may be included in any published document, circular to statement nor published in any way without Savills's prior written approval of the form and context in which it may appear (other than in respect of any documents / information necessary to facilitate the IPO);
- Where it is stated in the Report that information has been supplied to Savills by another party, this information is believed to be reliable by Savills. Other information is derived from sources we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so;
- Our Report is made solely for the use of the party to whom it is addressed and their professional advisors for the specific purpose it refers to. Savills disclaims all responsibility and will accept no liability to any other party;
- Any plan or map in this Report is included to assist the reader in visualising the property. We have not conducted a detailed survey of the property and assume no responsibility for such matters.

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2.0 Malaysia Economic Overview and Outlook

2.1 Key Economic Indicators

Table 2.1a: Malaysia Economic Data Overview, 2015 – 2024

Malaysia	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real GDP at Constant 2015 Prices (RM million)	1,176,941	1,229,312	1,300,769	1,363,766	1,423,952	1,346,249	1,390,882	1,514,139 ^a	1,567,974 ^p	1,648,163 ^p
Real GDP Growth (%)	5.1%	4.4%	5.8%	4.8%	4.4%	-5.5%	3.3%	8.9%	3.6%	5.1%
GDP Per Capita at Constant 2015 Prices (RM)	37,739	38,860	40,620	42,115	43,783	41,491	42,697	46,307 ^a	46,943 ^p	48,392 ^p
GDP Per Capita at Current Prices (RM)	37,739	39,505	42,854	44,709	46,513	43,717	47,541	54,863 ^a	54,575 ^p	56,700 ^p
Consumer Price Index (2015=100)	112.8	115.2	119.5	120.7	121.5	120.1	123.1	127.2	130.4	132.8
Inflation Rate (%)	2.1%	2.1%	3.7%	1.0%	0.7%	-1.2%	2.5%	3.3%	2.5%	1.8%
Consumer Sentiment Index	69.6	73.7	82.6	96.8	82.2	85.2	97.2	105.3	89.4	87.1
Overnight Policy Rate	3.25%	3.13%	3.00%	3.25%	3.08%	2.08%	1.75%	2.17%	2.92%	3.00%
Exchange Rate, RM1.00 to US\$	0.2576	0.2417	0.2327	0.2480	0.2414	0.2381	0.2412	0.2276	0.2193	0.2191
Unemployment										
- Labour Force ('000 person)	14,518	14,668	14,980	15,280	15,582	15,406	15,533	15,770	16,367	17,179
- Employed ('000 person)	14,068	14,164	14,477	14,776	15,073	14,719	14,825	15,155	15,813	16,625
- Unemployed ('000 person)	450	504	503	504	508	687	708	614	553	553
- Unemployment Rate (%)	3.1%	3.4%	3.4%	3.3%	3.3%	4.5%	4.6%	3.9%	3.4%	3.2%
Domestic Aggregate Demand at Constant 2015 Prices (RM million)										
Private Consumption	635,099	672,260	718,702	776,054	835,714	802,747	817,103	909,562 ^a	951,892 ^p	1,000,483 ^p
Private Investment	198,150	206,977	225,594	235,343	239,027	210,653	216,502	232,110 ^a	242,734 ^p	272,620 ^p
Public Consumption	154,021	155,640	164,450	170,030	172,659	179,721	190,210	199,922 ^a	206,556 ^p	216,161 ^p
Public Investment	106,274	105,213	105,499	100,249	89,508	70,522	62,740	66,096 ^a	71,773 ^p	79,739 ^p
Net FDI Inflows (RM million)										
Manufacturing	17,238	12,140	6,271	15,000	7,690	7,016	32,368	50,146	5,469	n.a.
Services	13,841	23,919	20,931	15,378	17,439	5,383	11,510	23,496	35,358	n.a.
Mining and Quarrying	7,108	8,209	11,083	-344	4,748	1,964	5,765	1,567	1,391	n.a.
Construction	1,190	3,025	1,957	686	2,208	-667	73	187	-1,837	n.a.
Agriculture	0	-268	177	21	279	-415	722	21	21	n.a.

Source: Department of Statistics Malaysia (DOSM), Bank Negara Malaysia, Malaysian Institute of Economic Research (MIER)

Note: e – estimate; p – preliminary, by Department of Statistics Malaysia (DOSM)

Remark:

1. The inflation rate, overnight policy rate and all unemployment data for 2024 are based on averages, not on annual data.
2. The Consumer Sentiment Index is updated to Q1/2024.

- The Malaysian economy has demonstrated healthy expansion since 2015, with a compound annual growth rate (CAGR) of 3.8% from 2015 to 2024. In 2024, the real gross domestic product (GDP) grew by 5.1%, rising from RM1,567,974 million in 2023 to RM1,648,163 million at constant 2015 prices. The Department of Statistics Malaysia (DOSM) reported an inflation rate of 1.8% and an unemployment rate of 3.2% for 2024.

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2.1.1 Economic Outlook

- **The Malaysian economy is projected to maintain expansion in 2025.**

In 2025, Malaysia's economy is expected to remain resilient, fueled by substantial investment, steady household spending, and continued export growth. Growth in investment activities will be propelled by the continuing development of long-term private and public projects, the successful execution of approved investments, and the implementation of key initiatives outlined in national master plans.

Additionally, household spending will be supported by sustained growth in employment and wages, along with policy measures such as a higher minimum wage and increased civil servant salaries. Key factors contributing to export growth include global tech upswing, sustained non-electrical and electronic goods expansion, and increased tourist spending.

Risks for growth remain, particularly if key trading partners experience slower expansion, trade and investment restrictions intensify, or commodity production falls short of expectations. Conversely, growth could exceed expectations as stronger benefits from the technological upswing, a more vibrant tourism sector, and the accelerated implementation of investment initiatives are expected in 2025.

- **Inflation is expected to remain manageable in 2025.**

Malaysia's inflation declined to 1.8% in 2024, mainly due to lower inflation in mobile communication services from promotional pricing and a decline in petrol inflation linked to RON97. In 2025, inflation is expected to remain manageable, supported by easing global costs and stable domestic demand. Global commodity prices are expected to continue their downward trend, contributing to moderate cost conditions in the near term. As a result, the overall impact of recently announced domestic policy measures is expected to remain contained.

The inflation outlook faces potential upside risks due to substantial spillover effects from policy reforms, especially in a heightened demand environment. This may drive higher inflation expectations and broader price increases. Additionally, external inflation risks, primarily arising from uncertainties in global trade and geopolitical factors, may affect input costs through fluctuations in global commodity prices and financial markets.

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2.2 Income and Spending Trends

2.2.1 Mean Gross Monthly Household Income

Table 2.2a: Mean Gross Monthly Household Income, 2012 – 2022

	2012	2014	2016	2019	2022	CAGR (2012 - 2022)
Malaysia	RM 5,000	RM 6,141	RM 6,958	RM 7,901	RM 8,479	5.4%
Selangor	RM 7,023	RM 8,252	RM 9,463	RM 10,827	RM 12,233	5.7%
Johor	RM 4,658	RM 6,207	RM 6,928	RM 8,013	RM 8,517	6.2%

Source: Economic Planning Unit (EPU), DOSM

- The national mean gross monthly household income has increased from RM5,000 in 2012 to RM8,479 in 2022, representing a CAGR of 5.4%. During the same period, Selangor and Johor also recorded increased mean gross monthly household income, with respective CAGRs of 5.7% and 6.2%.
- In 2022, the mean gross monthly household income in Selangor and Johor were RM12,233 and RM8,517, respectively. Both states' income surpassed the national average of RM8,479 in 2022, with Selangor recording the highest gross monthly household income.

2.2.2 Mean Monthly Household Expenditure

Table 2.2b: Mean Monthly Household Expenditure, 2009/10 – 2022

	2009/10	2014	2016	2019	2022	CAGR (2009/10 - 2022)
Malaysia	RM 2,190	RM 3,578	RM 4,080	RM 4,609	RM 5,150	6.8%
Selangor	RM 2,666	RM 4,646	RM 5,342	RM 6,099	RM 6,770	7.4%
Johor	RM 2,018	RM 3,808	RM 4,167	RM 4,826	RM 5,342	7.8%

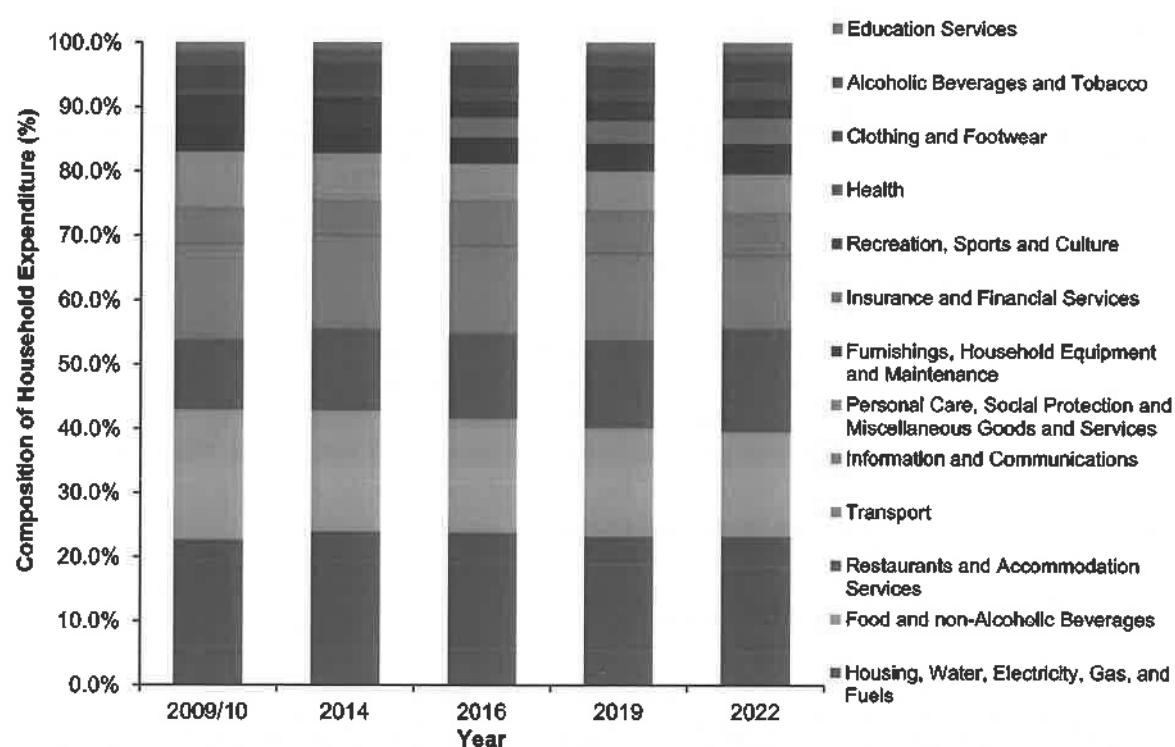
Source: EPU, DOSM

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Figure 2.2a: Malaysia Composition of Household Expenditure, 2009/10 – 2022



Note: 100% = Mean Monthly Household Consumption Expenditure
Source: EPU, DOSM

- Based on the recent Household Income Survey Report conducted by DOSM in 2022, Malaysian households' mean monthly consumption expenditure was RM5,150. Approximately 55.6% of the household expenditure was reportedly spent on housing, water, electricity, gas, and fuels (23.2%), food and non-alcoholic beverages (16.3%), and restaurants and accommodation services (16.1%) in 2022.
- The survey further revealed that urban households in Malaysia—defined as those residing in urban areas with a population of at least 10,000 people, where 60% of the working age and old age population is involved in non-agricultural activities—spent approximately 10% more than the national mean monthly household consumption, which amounted to RM5,675 in 2022. The primary composition of monthly expenditure by urban households included housing, water, electricity, gas, and fuels (23.8%), restaurants and accommodation services (16.6%), and food and beverages (F&B) (15.0%).
- Meanwhile, rural households—defined as those residing in rural areas with a population of fewer than 10,000 people—reported a mean consumption expenditure of RM3,409 in 2022, which is below the national average. For rural households, the largest monthly expenditure was allocated to F&B (24.0%).

2.2.3 Consumer Spending Behaviour and Preference

- Malaysia's GDP registered a growth of 23.2% from 2016 to 2022, which translates to a CAGR of 3.5% over the same period. Similarly, the nation's mean gross monthly income increased by 21.9% during the same period, with a CAGR of 3.3%. Selangor and Johor experienced GDP growth rates of 36.6% and 21.7%, respectively, from 2016 to 2022. Correspondingly, the average gross household income for Selangor and Johor grew by 29.3% and 22.9%, respectively, during the same period.

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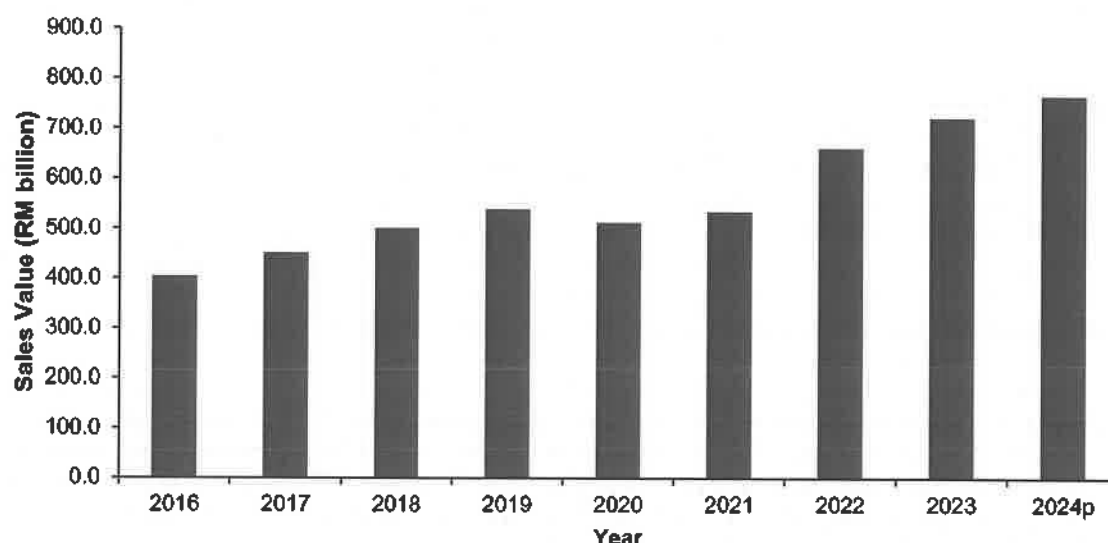
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- In 2022, Selangor's household gross monthly income reached RM12,233, placing the state's population in the high-income group. Meanwhile, Johor's household gross monthly income stood at approximately RM8,517, categorising its population within the middle-income group. This substantial growth in household income increased disposable incomes, leading to noticeable shifts in consumer spending behaviour.
- The retail industry in Malaysia has evolved significantly in recent years, with several factors significantly influencing consumer spending patterns. This is particularly evident after the COVID-19 pandemic, which prompted noticeable changes to the retail landscape to foster adaptability. Additionally, the rise in popularity of e-commerce, the evolution of retail mall establishments in terms of their physical offerings and shifts in household purchasing power have played vital roles in shaping the country's retail market.
- During the COVID-19 pandemic period from 2020 to 2021, the implementation of the Movement Control Orders (MCO) across Malaysia on 18th March 2020 strictly enforced practices on social distancing. This has significantly affected the retail sector, as households increasingly relied on online platforms to fulfil their shopping needs. Consequently, brick-and-mortar retail shops faced challenges, particularly, those without well-developed online shopping platforms for their customers and targeted consumers. Many retail businesses were compelled to adapt to the new normal or risk of closure due to the limitations imposed by the federal government of Malaysia in addressing the challenges associated with the pandemic.
- Since 2022, the e-commerce segment has remained prevalent, driven by consumers' continued preference for online shopping after the COVID-19 pandemic. The accelerated growth of e-commerce has been propelled by the widespread adoption of mobile apps and online websites by various retailers, including major luxury brands, to offer shoppers an omnichannel retail experience. These brands have adapted to the new norm by creating comprehensive online shopping platforms tailored to consumers in the digital age. Notably, retail brands in beauty and fashion, F&B, retailers, and household appliances are among the pioneering segments offering consumers a seamless digital shopping experience.
- Furthermore, retail malls have significantly evolved from their conventional purpose. Previously, malls primarily served as venues for physical shopping and dining experiences. However, in recent years, retail malls in Malaysia have embraced experiential retail by offering a wide range of social and entertainment options, incorporating theme parks, educational zones, recreational parks and open spaces for events. Ultimately, this experiential retail strategy can effectively complement the e-commerce platform, leading to an enhanced shopping experience in the digital era—a time when technology is widespread and deeply integrated into various aspects of daily life through the proliferation of digital devices.
- Consumers' spending behaviour indicates a shift towards the F&B sector. Retail malls now feature a higher proportion of F&B outlets, particularly in the form of cafés and restaurants. Retail Group Malaysia reported a 6.8% growth rate for F&B stalls and kiosks as of Q3/2024, while restaurants and cafés saw a higher growth rate of 8.2% during the same period. The F&B sector may encounter significant challenges, particularly considering the Israel-Hamas conflict, which has prompted consumer boycotts against certain international F&B franchises.
- As the country continues to grapple with rising living costs driven by the weakening Malaysian Ringgit and potential subsidy reforms, consumer purchasing power is expected to be affected. Recent economic reforms by the government, including the imposition of higher service tax rates (increased from 6% to 8%), the proposal of High-Value Goods Tax (HVGT) - ranging from 5% to 10%, and the possible reduction of fuel subsidies for the high-income group, among others, are anticipated to influence consumers' spending behaviours across all income categories.
- High-income households are expected to experience pressure, as the recently proposed HVGT and subsidy reforms will likely affect their consumption expenditure. Meanwhile, middle-income individuals are expected to face challenges with their household consumption expenditure, as this group does not qualify for government subsidies to alleviate the pressure of higher living costs. On the other hand, low-income households are set to benefit from the numerous subsidies allocated by the government, thus sustaining demand for staple foods and retail sales from this group.

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2.2.4 Retail Performance**2.2.4.1 Malaysia Retail Trade Sector Sales Value****Figure 2.2b: Malaysia Retail Trade Sector Sales Value, 2016 — 2024^p**

Source: DOSM

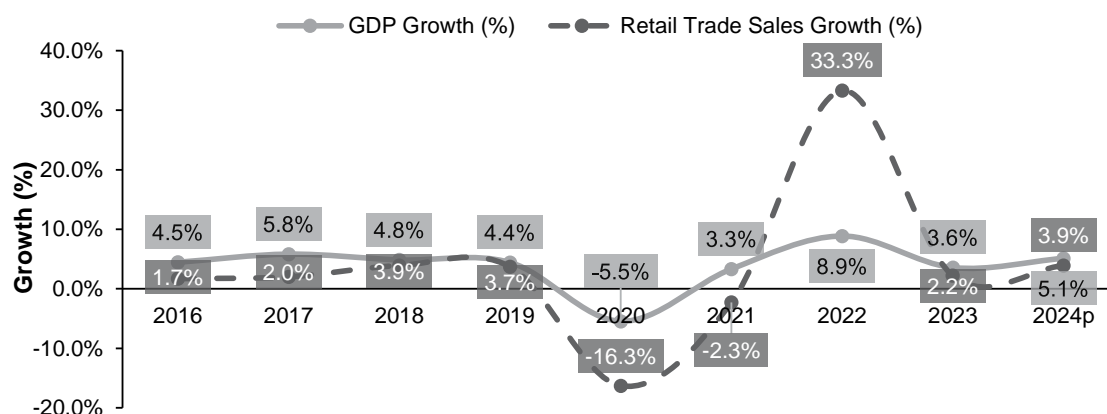
- According to DOSM, Malaysia's total retail trade sales value reached RM764.9 billion in 2024, the highest value achieved since 2016.
- Over the recent years, Malaysia's retail trade sector achieved a CAGR of 8.3% from 2016 to 2024. During this period, the country's sales value increased from RM403.8 billion in 2016 to RM764.9 billion in 2024.
- The Twelfth Malaysia Plan (2021 – 2025) aims to achieve a 5.0% annual growth rate for the country's GDP throughout the plan's five-year period. This growth target focuses on the wholesale and retail trade, F&B, and accommodation segments within the services sector. By focusing on these segments, the Twelfth Malaysia Plan aims to create a more dynamic and resilient services sector that can drive sustainable economic growth. The plan outlines comprehensive measures to enhance productivity, competitiveness, and innovation, ensuring these industries can contribute significantly to the nation's GDP and provide employment opportunities. Despite the challenges faced by the retail sector, through targeted investments, policy support, and strategic initiatives, Malaysia is poised to achieve its economic objectives and improve the quality of life for its citizens through the twelfth Malaysia Plan.

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2.2.4.2 Malaysia Retailers' Sales Growth

Figure 2.2c: Malaysia Retailers' Sales Growth and GDP Growth, 2016 – 2024^P

Source: Malaysia Retailers Association (MRA)

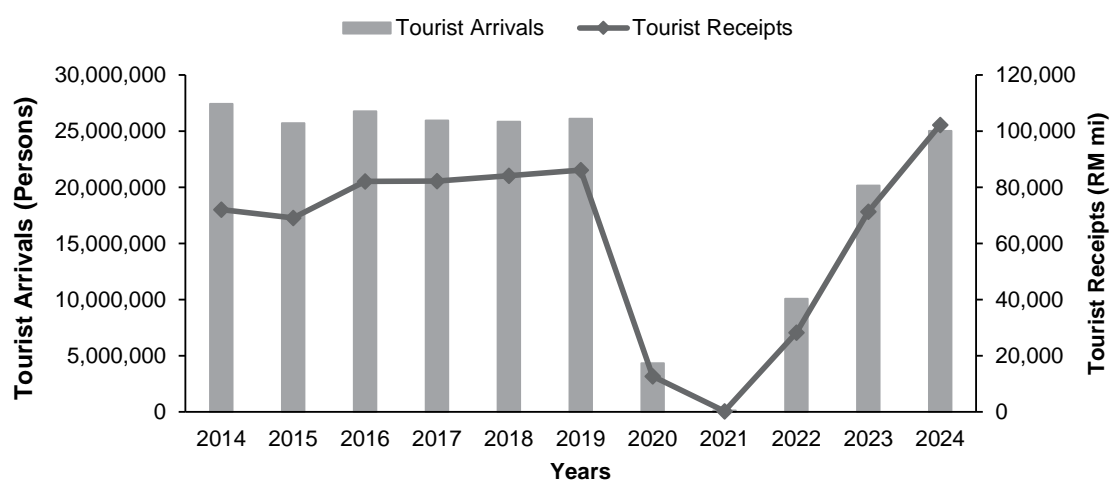
Note: The retail trade sales growth for 2024 is estimated at 3.9%.

- Since 2016, Malaysia's retail sales growth rate, as reported by the Malaysia Retailers Association, has consistently lagged behind the nation's GDP growth rate, with one notable exception in 2022, when retail sales grew by 33.3%. This remarkable sales performance was driven by the momentum generated from the reopening of retail businesses after the lockdowns during the pandemic years of 2020 and 2021.

2.3 Tourism Indicators

2.3.1 Tourist Arrivals and Receipts

Figure 2.3a: Malaysia Tourist Arrivals & Tourist Receipts, 2014 – 2024



Source: Tourism Malaysia

- Tourist arrivals and receipts showed a consistent uptrend from 2015 to 2019 until the outbreak of the COVID-19 pandemic, leading to the implementation of the MCO in Malaysia on March 18, 2020. The country's

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lockdown had significantly impacted tourism activities in 2020, with tourist arrivals dropping by 83.4% and tourist receipts by 85.3% in 2020 compared to 2019.

- In 2021, tourist arrivals and receipts reached the lowest record over the years, dropping by 96.9% and 98.1%, respectively. This drastic decline was primarily due to the closure of international borders, which restricted the movement of travellers. Nevertheless, a small number of tourists were permitted to visit Malaysia for essential purposes such as medical treatment, education, business, and visits by foreign spouses married to Malaysian citizens.
- Since the reopening of the international border on April 1, 2022, tourist arrivals and receipts have shown a significant increase, with 10,070,964 tourist arrivals and RM28,228 million in receipts recorded for 2022.
- As of 2024, there was an improvement in tourist arrivals, which increased by 24.2%, from 20,141,846 in 2023 to 25,016,698 persons. Simultaneously, tourist receipts also rose by 43.4%, from RM71,309 million to RM102,233 million during the same period.

According to Hong Leong Investment Bank Research, Malaysia's travel volumes remain at 48% of 2019 levels, suggesting significant potential for recovery. Moving forward, Malaysia aims to achieve 31.4 million foreign tourist arrivals in 2025 with a total tourist receipt of RM125.5 billion. This ambitious target is supported by a significant budget allocation of RM550 million under the Malaysian Budget 2025 for tourism promotion activities, alongside the budget allocated for maintaining and restoring tourism hotspots. The momentum of tourist promotion activities will be extended to the year 2026, when Malaysia has reinstated 2026 as the Visit Malaysia Year. To further boost tourist arrival, 30 days of VISA-free entry has been offered to visitors from India and China, starting 1 December 2023. New flight routes and increased frequencies are expected to facilitate higher tourist arrivals.

For a longer stay period, the revised Malaysia My Second Home (MM2H) requirement has seen positive feedback and sentiment from the industry. It is expected to contribute to tourism activities in Malaysia. The revised MM2H program allows foreign nationals from countries with diplomatic ties to Malaysia to apply for long-term residency. Applicants must be at least 25 years old and submit applications through licensed MM2H operators. There are three categories with varying financial and residency requirements:

- Platinum Category requires a USD 1 million fixed deposit (FD), a one-time RM200,000 participation fee, and the purchase of a residence valued at RM 2 million or more. A 20-year MM2H pass is issued, renewable every five years, with a minimum stay of 90 days annually.
- Gold Category requires a USD 500,000 FD, a RM3,000 participation fee, and a residence purchase valued at RM 1 million or more. The participant receives a 15-year MM2H pass.
- Silver Category requires a USD 150,000 FD, a RM1,000 participation fee, and a residence valued at RM600,000. A 5-year MM2H pass is granted.

Additionally, in order to support the development of special economic/financial zone in Malaysia, a special condition for the MM2H programme has been introduced. Under this special condition for MM2H programme in the Special Economic/Financial Zones, applicants are required to have a FD worth USD 65,000 for those aged 21-49 and USD 32,000 for applicants aged 50 and above. A RM1,000 participating fee is payable by applicants, and they are required to make direct purchases of residences from developers with a threshold value determined by the state authority where the special economic/financial zone is located. A 10-year MM2H pass will be issued to the successful applicants. The participants will be required for at least 90 days of annual cumulative stay in Malaysia.

All categories allow 50% FD withdrawal for specific purposes like housing, education, and medical treatment. Nevertheless, there is a 10-year restriction on selling the purchased residence, except for upgrading to a higher-value residence. In addition, dependents, including spouses, children, and parents, are allowed under certain conditions. Each MM2H pass is renewable, and failure to comply with any terms may result in revocation. Participants must undergo mandatory medical check-ups, and offshore income requirements have been removed compared to the previous, more stringent version of the MM2H requirement. Following the

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implementation of the revised version of the MM2H programme, the number of visitors on a long-term stay basis is expected to increase, which will have a positive impact on retail activities.

2.3.2 Components of Tourist Expenditure

Table 2.3a: Breakdown of Tourist Expenditure, 2018 - 2023

Items	2018		2019		2020		2021		2022		2023	
	RM million	%	RM million	%	RM million	%	RM million	%	RM million	%	RM million	%
Accommodation	21,622.7	25.7	20,674.4	24.0	2,964.7	23.4	145.0	60.7	4,714.1	16.8	13,406.0	18.8
F&B	11,274.1	13.4	11,457.1	13.3	1,862.7	14.6			4,403.6	15.8	10,625.0	14.9
Local Transportation	5,132.2	6.1	6,546.9	7.6	920.5	7.3	6.1	2.5	1,157.4	4.2	4,563.7	6.4
International Airfares	3,786.1	4.5	4,221.0	4.9	577.3	4.5	71.1	29.8	2,032.4	7.3	6,631.7	9.3
Organised Tour	3,701.9	4.4	5,427.0	6.3	602.4	4.7	n.a.	n.a.	705.7	2.5	3,137.6	4.4
Shopping	28,101.2	33.4	28,944.2	33.6	4,488.9	35.4	16.5	6.9	10,755.0	38.6	24,173.6	33.9
Entertainment	3,028.9	3.6	2,928.9	3.4	564.7	4.5			1,129.1	4.1	2,638.4	3.7
Medical	2,860.6	3.4	2,928.9	3.4	351.4	2.8			1,213.8	4.4	3,494.1	4.9
Domestic Airfares	2,524.1	3.0	2,239.7	2.6	175.7	1.4			254.1	0.9	1,640.1	2.3
Fuel	588.9	0.7	258.4	0.3	22.8	0.2			310.5	1.1	713.1	1.0
Sports	252.4	0.3	172.3	0.2	0.0	0.0			84.7	0.3	71.3	0.1
Others	1,262.0	1.5	344.6	0.4	167.6	1.3			1,100.9	4.0	213.9	0.3
TOTAL	84,135.1	100.0	86,143.4	100.0	12,688.7	100.0	238.7	100.0	27,861.3	100.0	71,308.5	100.0

Source: Tourism Malaysia

- Tourist expenditure in 2023 was primarily allocated to Shopping (33.9%), with Accommodation (18.8%) and F&B (14.9%) being secondary priorities. Shopping has become increasingly significant in terms of total expenditure breakdown by tourists, rising from 33.4% (RM28,101 million) breakdown of total tourist expenditure in 2018 to 38.6% breakdown (RM10,755 million) in 2022.

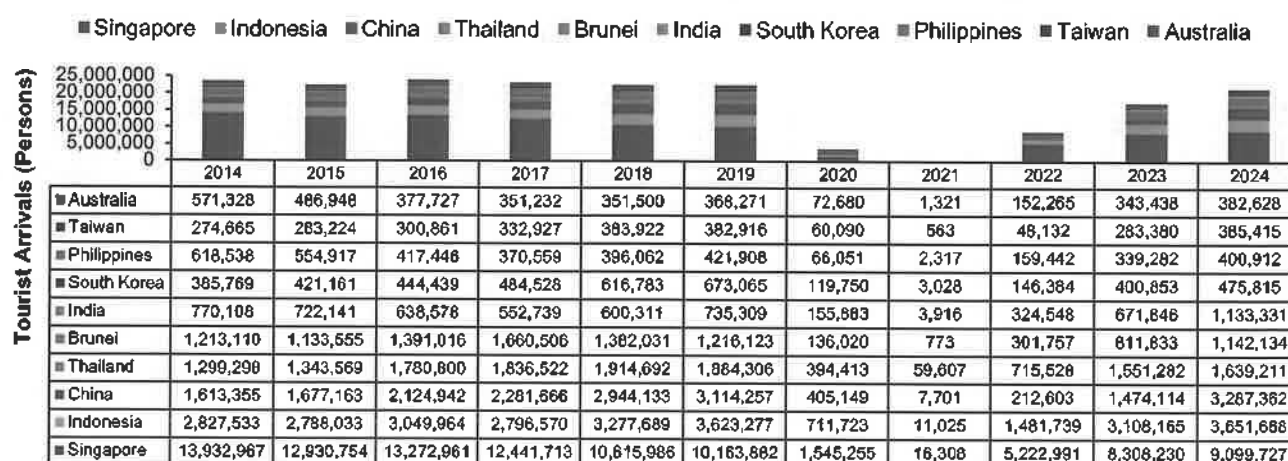
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2.3.3 Tourist Arrivals by Country of Origin

Figures 2.3b: Tourist Arrivals from the Top 10 Origin Countries to Malaysia, 2014 – 2024



Source: Tourism Malaysia

- As of 2024, Singaporeans topped the list of tourists to Malaysia, with a total of 9,099,727 arrivals, accounting for 36.4% of total international arrivals. They were followed by tourists from Indonesia, totalling 3,651,668 (14.6%); China, with 3,287,362 (13.1%); Thailand, with 1,639,211 (6.6%); Brunei, with 1,142,134 (4.6%); India, with 1,133,331 (4.5%); South Korea, with 475,815 (1.9%); the Philippines, with 400,912 (1.6%); Taiwan, with 385,415 (1.5%); and Australia, with 382,628 (1.5%).

2.4 Federal Government Initiatives

The inauguration of Malaysia's 10th Prime Minister and the establishment of his unity government led to the introduction of the Malaysia MADANI Economy policy framework. This framework has been the cornerstone for all subsequent government policies and initiatives. Consequently, federal-level government initiatives aim to expand and diversify the nation's economy, reorienting it towards positioning Malaysia as a prominent player in the Asian economy and ultimately improving the people's quality of life. The following includes summaries of key policies and frameworks relevant to the property, retail, and household income sectors of the country.

- MADANI Economy Framework:** This national policy was introduced on 27th July 2023, which prioritises six major components, namely sustainability, care and compassion, respect, innovation, prosperity, and trust. Key objectives under this framework include:
 - To restructure the nation's economy by regionalising the country's local businesses and elevating national competitiveness.
 - Promote social justice to guarantee equal opportunities, a decent standard of living and social protection for all demographic groups in the country.

This framework's economic vision will be implemented alongside the following policies and initiatives:

- Twelfth Malaysia Plan (12MP) Mid-Term Review (MTR):** The 12MP MTR was tabled by the 10th Prime Minister to assess the achievements of the 12MP (2021-2025) during its two initial years (2021-2022), and to determine its goals and objectives for the subsequent three years (2023-2025). These objectives align with the policy's three focus areas, namely, propelling the country towards sustainability, prosperity, and achieving high-income status, which aligns with the aspirations of the MADANI economy policy.

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- **New Industrial Masterplan (NIMP) 2030:** Launched on 1st September 2023, NIMP 2030 outlines a 7-year industrial policy for the manufacturing and manufacturing-related services sector. To achieve the goals and targets of NIMP 2030, 4 key missions have been identified: to advance economic complexity, to tech up for a digitally vibrant nation, to push for Net Zero, and to safeguard economic security and inclusivity. Ultimately, NIMP 2030 aims to spur economic growth and enhance resilience amid emerging challenges and megatrends, as outlined by the core components of the MADANI Economy framework.
- **National Energy Transition Roadmap (NETR):** This initiative was developed by the Ministry of Economy to accelerate the country's energy transition efforts and to fundamentally transform Malaysia's economy and livelihoods for a stronger and more resilient future. NETR has developed the Responsible Transition (RT) Pathway 2050 to shift Malaysia's energy systems from a conventional fossil fuel-based economy to a high-value green economy. This reinforces Malaysia's commitment to net-zero emissions as early as 2050.
- **Malaysia Budget 2025:** The most recent budget, announced on 18 October 2024, centres around three key principles: restructuring the economy, driving changes, and fostering prosperity among the people. Essentially, the third Malaysian Budget under the Madani Economy Framework aims to advance the nation's economy by implementing strong reforms, reducing bureaucratic inefficiencies, increasing incomes and wages, and addressing the rising cost of living, all with the goal of alleviating systemic poverty and inequality.
- **Malaysia Budget 2024:** This budget was unveiled on 13 October 2023 and introduced a strategic roadmap under the Madani Economy Framework. The initiatives outlined in this budget were segregated into three focus areas: good governance for service agility, restructuring of the economy to boost growth and raising the people's standard of living. Overall, the Budget 2024 seeks to elevate the country and people's socioeconomic status.
- **Malaysia Budget 2023:** Revised on 24th February 2023, the national budget 2023 was the first budget tabled by the 10th Prime Minister's unity government, setting the course for the Malaysia MADANI Development framework. This budget's measures will be centred on three main themes: inclusive and sustainable economic growth, institutional reforms and good governance to restore confidence, and combating inequality through social justice.

Table 2.4a details the initiatives introduced by the government in policies, frameworks, and annual national budgets, especially initiatives related to the property, retail, and household income segments.

Table 2.4a: Federal Government Initiatives

Initiatives	Descriptions
E-commerce	
Digitalisation of business operations	<ul style="list-style-type: none"> • To support business owners in the digital age, the government provides various initiatives to encourage digitalisation efforts and facilitate technology adoption to expand their market reach. • These initiatives include efforts to strengthen the role of the Digital Economy Centre (PEDi) to assist small entrepreneurs in acquiring ICT and e-commerce expertise. • Additionally, there is an allocation of RM100 million under the Small Medium Enterprise (SME) Digitalisation Grant Scheme, including small hawkers. Through this scheme, SMEs can receive grants of up to RM5,000 upon subscribing to business digitalisation applications such as electronic point of sales (ePOS) systems, accounting software, or inventory management systems.
Property Purchases	
Encouraging first-home ownership	<ul style="list-style-type: none"> • The Government will provide up to RM10 billion in guarantees for the Housing Credit Guarantee Scheme (HCGS) under the Malaysia Budget 2025, benefiting 20,000 borrowers.

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Initiatives	Descriptions
	<ul style="list-style-type: none"> • Additionally, individual income tax relief of up to RM7,000 will be provided for residential homes priced up to RM500,000, and up to RM5,000 for homes priced between RM500,000 and RM750,000. This is expected to benefit the mid-range residential market in 2025. • Stamp duty exemption will be provided for first-time home buyers, applicable to houses valued at RM500,000 and below until the end of 2025.
Reduce property speculation	<ul style="list-style-type: none"> • To regulate property prices, the Government plans to implement a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals holding permanent residency status in Malaysia.
Household Income	
To enhance income security	<ul style="list-style-type: none"> • The Government will raise the monthly salary ceiling for Social Security Organisation (SOCSO) contributions from RM5,000 to RM6,000, resulting in a 20.2% increase in cash benefits. • The Employees Provident Fund (EPF) members' accounts will be restructured to strengthen retirement savings. The new EPF Flexible Account (Account 3) has been introduced (starting 11th May 2024) to provide members with accessibility at any time. It allows hassle-free withdrawal of RM250 daily (minimum RM50 withdrawal). Any withdrawal involving an amount more than RM250 will require a further identity verification process. • The limit for EPF voluntary contributions will be raised from RM60,000 to RM100,000. • Allocation of RM30 million to extend the i-Saraan programme in 2023. • The scope of tax relief for life insurance premiums or life takaful contributions, now up to RM3,000, will be expanded to include voluntary EPF contributions. The Government has allocated RM1 billion to contribute RM500 to EPF members aged between 40 and 54 years old with EPF savings of less than RM10,000. • The Malaysia Budget 2025 announced an increase in the minimum wage from RM 1,500 per month to RM 1,700 per month, effective 1st February 2025. • Additionally, the Budget 2025 allocated RM200 million for the Progressive Wage Policy piloted in June 2024 to reform the labour market with the goal of increasing workers' incomes, which will be fully enforced in 2025. • An allocation of RM250 million for the People's Income Initiative (IPR) to provide assistance to the hardcore poor and B40 groups, helping them generate additional income sustainably through various targeted programmes. • Allocation of RM150 million to fund the increase in the Government's matching incentive rate for the i-Saraan programme from 15% to 20% of the total annual contribution of individuals, with a maximum annual matching incentive limit of RM500 or RM5,000 for a lifetime. • The National Budget 2025 also announced the mandatory EPF contribution for non-citizen employees. For those with new employment contracts, the contribution rates will start at 11% for employees and 12% or 13% for employers. Meanwhile, non-citizen employees with existing contracts will begin at 2% for both parties, gradually increasing over six years to match the standard rates for Malaysian employees.

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Initiatives	Descriptions
Increased job opportunities	<ul style="list-style-type: none"> NIMP 2030 targets a total investment of up to RM95 billion, creating 3.3 million job opportunities with monthly median salaries up to RM4,510 by 2030. The Government will allocate up to 10% of the total NIMP investment as a catalyst to accelerate the NIMP mission with a 2024 startup fund, amounting to RM200 million. To combat youth unemployment, GLCs will offer 35,000 career opportunities to school leavers and graduates. Allocation of RM6.8 billion for Technical and Vocational Education and Training (TVET) education. RM1.6 billion is allocated to the Human Resources Development Corporation (HRD Corp) to facilitate the training of 1.7 million workers.
Promote entrepreneurship and upskilling	<ul style="list-style-type: none"> To support hawkers and small business owners, the Government will allocate RM50 million to construct and upgrade 3,000 stalls and kiosks at strategic locations nationwide. Government agencies will continue to offer various financing facilities and guarantees, totalling up to RM40 billion, for the benefit of MSME entrepreneurs. Micro-entrepreneurs and small businesses will gain access to financing through agencies such as Bank Negara Malaysia (BNM), BSN, and TEKUN, with available funds amounting to RM1.7 billion. The Syarikat Jaminan Pembiayaan Perniagaan (SJPP) will provide guarantees for SME loans of up to RM20 billion, with government guarantees of up to 90% for key sectors like high technology, agriculture, and manufacturing. Guarantees will extend to financing from non-banking financial institutions such as credit leasing companies and cooperatives, specifically benefiting small businesses. The Government further encourages youth to enhance their capabilities and skills for better income prospects. To facilitate this, it will cover up to RM4,000 in training fees for gig workers participating in micro-credentials upskilling programs. Additionally, SOCSO will offer an allowance of RM300 for three months as replacement income to active gig workers undergoing training programs. Overall, RM40 million is allocated to benefit 30,000 gig workers. The Malaysia Budget 2025 allocated RM10 million for the Buy Malaysian Goods Campaign (KBBM). An additional RM 8.7 million is allocated for Enhanced Franchise Development Programme (EFDP) to boost exports (RM2.7million) and fund the Be Your Own Boss Project (RM6 million). An allocation of RM 40 billion will be made to provide loans and financing guarantees for MSMEs, supporting micro-entrepreneurs, small traders, low-income entrepreneurs. This initiative also seeks to encourage women and youth to venture into businesses and will continue to assist SMEs in key sectors such as halal, high technology, ESG and tourism through the SJPP scheme.
Consumer Expenditure	

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Initiatives	Descriptions
Minimise cost of living	<ul style="list-style-type: none"> The Government is committed to providing subsidies, assistance, and incentives to support households through the introduction of the Payung Rahmah initiative to ensure the affordability of staple items and food for low-income households. One such initiative is the Rahmah Menu Campaign, offering lunch and dinner sets priced at RM5, which was implemented on 31st January 2023. The Malaysia Budget 2025 allocated RM13 billion under the Sumbangan Tunai Rahmah (STR) and Sumbangan Asas and Rahmah (SARA) schemes. These programs will provide cash assistance of up to RM100 per month to 5.4 million STR recipients in the household and senior citizen categories. The maximum amount for households with a monthly income of RM5,000 or less is increased to RM4,600, while recipients in the singles category (ages 21 to 59, with a monthly income of RM2,500 or less) are eligible for cash assistance of up to RM600. Furthermore, the National Budget 2025 allocated RM300 million for the continuation of the Payung RAHMAH initiative, which includes the Jualan Malaysia 2025 and Jualan Mega Rahmah programmes. Jualan Rahmah will be expanded to provide essential goods at affordable prices in all state constituencies (DUN) every month. Additionally, RM700 million has been allocated to implement the price control programme in cooperation with supermarket entrepreneurs, wholesale markets, retail stores, farmers' markets, cooperatives and others. An allocation of RM40 million is also designated for the continuation of the Electricity Bill Rebate Programme, providing up to RM40 per month for households classified as hardcore poor.
Services sector taxes	<ul style="list-style-type: none"> Effective from 1st March 2024, Malaysia's Service Tax rate increased from 6% to 8%, as detailed in the country's 2024 Budget. However, to alleviate the financial burden on citizens, this increase excludes specific services such as food and beverages, as well as telecommunications. Additionally, the Government has broadened the range of taxable services to encompass logistics, brokerage, underwriting, and karaoke services. The government will introduce the High-Value Goods Tax at a rate ranging from 5% to 10% on selected high-value items like jewellery and watches, depending on the threshold value of the goods. Tourists will enjoy an exemption from the High-Value Goods Tax. Regulations will be implemented to enable tourists to claim tax refunds before their departure.
Promote Economic Growth and Real Estate Investment	
Other related initiatives	<ul style="list-style-type: none"> Capital gains tax exemption will be granted on the disposal of shares related to specific activities, such as approved Initial Public Offerings (IPOs), internal restructuring, and investments in venture capital companies, subject to specified conditions. Property transfer documents involving beneficiaries relinquishing their rights to eligible beneficiaries through wills, inheritance, or the Distribution Act 1958 will now incur a stamp duty of RM10 instead of the previous ad-valorem rate. The Malaysia Budget 2025 allocated RM100million for the Program Perumahan Rakyat (PPR), supporting the Federal Government's efforts to launch 23 new affordable housing projects. Additionally, under the Malaysia Budget 2025, RM464 million has been allocated to refurbish rural housing under the Skim Pembangunan Kesejahteraan Rakyat, while RM200 million has been set aside for the maintenance of low and medium-cost public strata housing projects nationwide.

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Initiatives	Descriptions
	<ul style="list-style-type: none"> The government has also agreed to relax the existing conditions for the Malaysia My Second Home (MM2H) program to attract more tourists and foreign investors to Malaysia. This improvement to MM2H is expected to increase investment activities in the Malaysian financial market and the country's real estate industry. The Malaysia Budget 2025 announced the government's initiative to establish Invest Malaysia Facilitation Centre-Johor (IMFC-J) to expedite approval processes including advisory services to reduce bureaucracy in facilitating investments in the Johor-Singapore Special Economic Zone (JS-SEZ).

Source: Malaysia Budget 2025, Malaysia Budget 2024, Malaysia Budget 2023, New Industrial Masterplan (NIMP) 2030

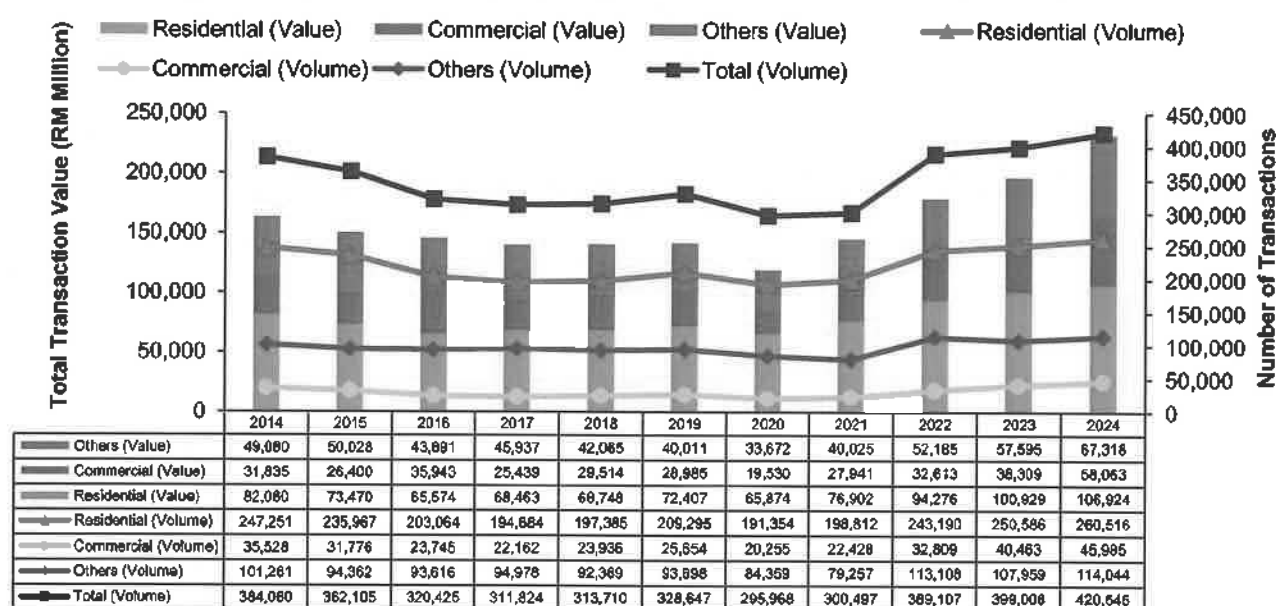
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2.5 Performance of the Real Estate Market

Figure 2.5a: Malaysia Property Transaction Volume and Value, 2014 - 2024



Source: National Property Information Centre (NAPIC)

Note: Others include industrial, agricultural and development land.

- In 2024, the total transaction volume and value across all sectors in Malaysia reached their highest point in recent 10-year period, with 420,545 units being transacted, accounting for total transaction value of RM232,305 million.
- In 2024, the total transaction volume across all sectors increased by 5.4% from 399,008 units in 2023. Simultaneously, the total transaction value saw a significant increase of 18.0% compared to RM196,833 million in the previous year.
- In the commercial sector, the transaction volume rose by 13.6% from 40,463 units in 2023 to 45,985 units in 2024 while the transaction value represented a substantial increase of 51.6% from RM38,309 million to RM58,063 million during the same period.
- Furthermore, the residential sector remained the largest component in 2024, with 260,516 housing units transacted at RM106,924 million. Compared to the previous year, which recorded 250,586 housing units at RM100,929 million, the transaction volume increased by 4.0%, while the transaction value rose by 5.9%.
- Despite global economic challenges, Malaysia's real estate sector is anticipated to sustain its recovery momentum. This is attributed to the ongoing government support for real estate development through the MADANI Budget 2025. The optimistic trajectory of the property market, spurred by Budget 2025 initiatives, aligns with the brighter economic prospects forecasted for 2025 compared to 2024.

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3.0 Selangor Economic and Property Market Overview

3.1 Economic Overview

Table 3.1a: Selangor Economic Overview, 2015 – 2023

Key Indicators	CAGR ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GDP at Constant 2015 Prices (RM million)	5.3%	268,825	281,839	302,186	323,215	345,008	326,805	344,103	385,159	406,071
Real GDP Growth (%)	-	n.a.	4.8%	7.2%	7.0%	6.7%	-5.3%	5.3%	11.9%	5.4%
GDP per Capita at Current Prices (RM)	4.6%	43,513	45,506	49,048	51,547	55,030	48,591	52,054	59,794	62,492
Real GDP by Economic Activity (%)										
Services	-	61.0%	61.7%	61.6%	62.0%	62.1%	61.2%	59.7%	60.6%	61.0%
Manufacturing	-	28.1%	27.9%	28.1%	28.2%	27.8%	29.1%	31.2%	30.4%	29.4%
Agriculture	-	1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%	1.1%
Others	-	9.4%	9.0%	8.9%	8.4%	8.7%	8.2%	7.6%	7.7%	8.4%
Population (person)	1.9%	6,178,000	6,291,500	6,380,700	6,475,000	6,506,100	6,994,400	7,014,700	7,050,300	7,209,700
Population Density (Per km ²)	-	779	793	803	814	818	880	883	888	908
Employment										
Labour Force ('000 person)	2.7%	3,212.9	3,325.0	3,457.5	3,546.3	3,592.9	3,602.7	3,676.9	3,731.9	3,967.6
Employed ('000 person)	2.6%	3,135.0	3,217.6	3,359.4	3,446.7	3,489.5	3,446.5	3,516.5	3,597.6	3,858.9
Unemployment Rate (%)	-	2.4%	3.2%	2.8%	2.8%	2.9%	4.3%	4.3%	3.6%	2.7%
Monthly Household Income	4.4%	-	9,463	-	-	10,827	-	-	12,233	-
Urbanisation Rate ²	-	-	-	-	-	-	95.8%	-	-	-
Male to Female Ratio	-	52 : 48	52 : 48	52 : 48	52 : 48	52 : 48	53 : 47	53 : 47	53 : 47	53 : 47
Ethnicity (%)										
Bumiputera	-	58.7%	59.0%	59.3%	59.7%	60.0%	60.6%	60.9%	61.2%	61.4%
Chinese	-	27.6%	27.4%	27.2%	26.9%	26.7%	27.3%	27.1%	26.9%	26.7%
Indian	-	12.9%	12.8%	12.7%	12.6%	12.4%	11.3%	11.2%	11.1%	11.1%
Others	-	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%
Age Structure										
Median Age	-	28.9	29.3	29.7	30.1	30.6	31.6	32.1	32.6	32.9
0 - 14 years	-	23.9%	23.7%	23.5%	23.4%	23.2%	22.2%	21.8%	21.5%	21.3%
15 - 64 years	-	71.7%	71.7%	71.7%	71.6%	71.5%	70.9%	71.0%	71.0%	71.0%
65 years and above	-	4.4%	4.6%	4.8%	5.0%	5.3%	6.9%	7.2%	7.5%	7.7%

Source: DOSM

Note: ¹CAGR applies from the earliest to the latest available data²Latest available information from Census 2020

- Selangor maintained its position as the highest contributor to Malaysia's overall GDP value, with 25.9% of the share in 2023. This surpasses the Twelfth Malaysia Plan's forecast of a 23.6% contribution share to Malaysia's overall GDP by 2025.
- Selangor's GDP performance has steadily maintained an upward trend since 2015, achieving a CAGR of 5.3%. Since the unprecedented COVID-19 pandemic years (2020 – 2021), economic activities in the state have rebounded positively in the post-pandemic years. Notably, Selangor's GDP recorded an annual growth rate of 11.9% in 2022 and 5.4% in 2023.
- As of 2023, Selangor's population reached 7,209,700 individuals. The state accounted for 21.6% of Malaysia's total population, with an average population density of 908 persons per square kilometre.
- In 2023, Selangor's unemployment rate stood at 2.7%, lower than Malaysia's rate of 3.4% for the same year. The state experienced a notable annual decline in unemployment, with a decrease of 25.0% from the 3.6% recorded in 2022. This improvement aligns with the Selangor state government's initiatives to provide various

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job opportunities and upskilling programmes, mainly targeting youth unemployment. Overall, Selangor's labour force accounted for 24.2% of the country's total labour force in 2023.

3.2 State Government Policies and Initiatives

The Selangor state government introduced the following policies and initiatives, with the key highlights including incentives that affect the property, retail, consumer, and household income segments in Selangor.

I. Selangor State Budget 2025

The Selangor state government tabled an expansionary budget for 2025, with a total allocation of RM3 billion, reflecting an 18.6% annual growth rate as compared to its 2024 budget. Notable initiatives related to the property sector and other infrastructure improvement initiatives are as follows:

- An allocation of RM10 million has been designated for the Tabung Penyelesaian Strata to address homeownership issues affecting property values and assets. The state government estimates that RM100 million will be required over the next decade to resolve issues within the entire strata scheme identified across Selangor.
- The Selangor government has allocated RM20 million to enhance public transport, including expanding the Demand Responsive Transit (DRT) and optimising Smart Selangor Bus services. Additionally, RM1 million is allocated for the Selangor Mobility Master Plan Study to develop a more integrated transport system.

In addition, notable incentives tailored for the service sector are as follows:

- Allocation of RM20 million for investment promotion, supporting participation in international events such as World Expo 2025 (Osaka), Selangor International Business Summit (SIBS), and Selangor Aviation Show (SAS) to attract global investors.
- The budget includes RM2 million for the Dana Usahawan Madani Selangor (DUMS), which aims to support micro-businesses across the state.
- A total of RM1 million has been allocated for entrepreneurship training programmes, helping to enhance business skills and capabilities.
- Another RM1 million has been set aside for domestic and international market promotion, ensuring that local businesses can expand their reach.
- The state has also allocated RM5 million to support small and medium enterprises (SMEs) through the PLATS Selangor platform, which provides resources and funding opportunities.

II. Rancangan Selangor Pertama (RS-1)

- Launched in 2022, Rancangan Selangor Pertama (RS-1) aims to address both the immediate needs of the state and to ensure its future resilience, aiming to make it a Smart, Livable, and Prosperous State by 2025.
- **RS-1 is structured around four strategic themes (ST):** strengthening the economy, enhancing social inclusivity and well-being, advancing sustainability, and smart and effective governance. These themes are supported by 25 focus areas or sectors, 51 strategies, and 261 designated projects, programs, and initiatives to be implemented over five years (2021 – 2025) in Selangor.

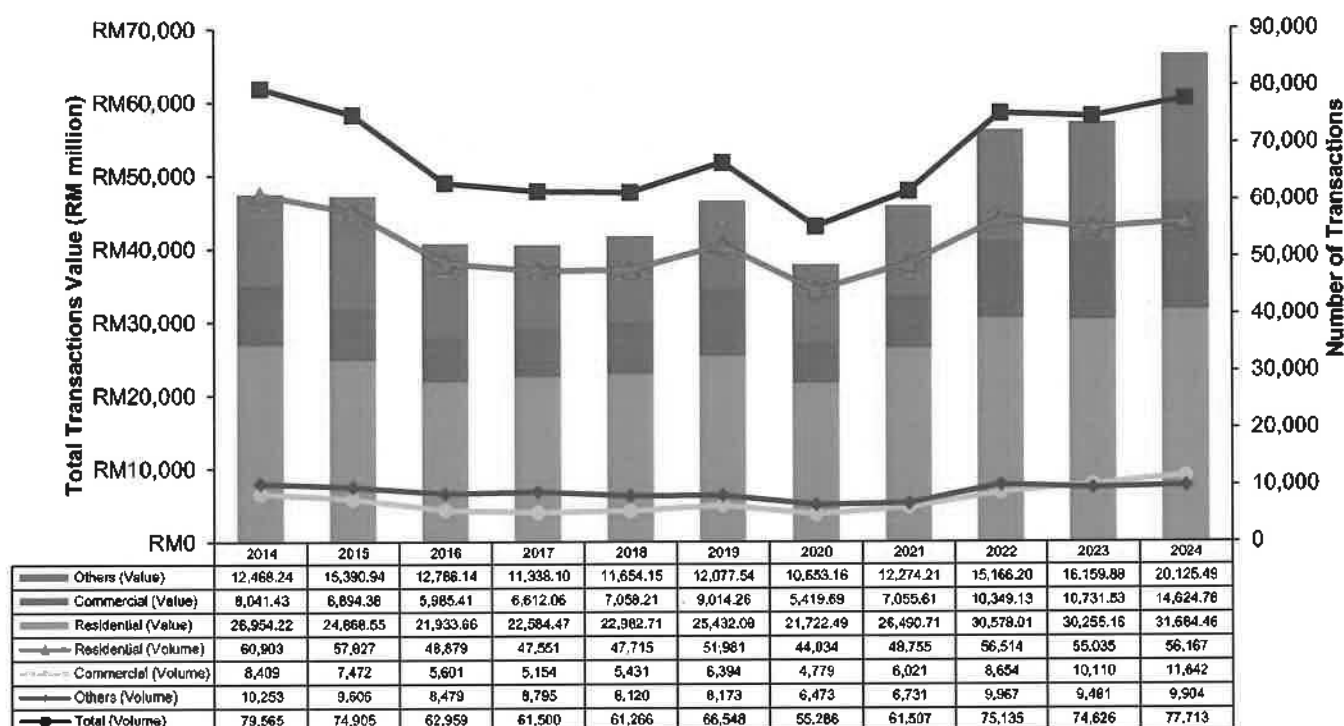
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3.3 Performance of Real Estate Market

Figure 3.3a: Selangor Property Transaction Volume and Value, 2014-2024



Source: NAPIC

Note: Others include industrial, agricultural and development land.

- In 2024, Selangor's real estate market recorded 77,713 transactions, amounting to a total value of RM66,434.73 million. Compared to 2023, which recorded 74,626 transactions valued at RM57,146.58 million, this marked a growth rate of 4.1% in volume and 16.3% in value. Overall, the total transaction value in 2024 was the highest achieved over the past decade (2014–2024).
- The commercial properties segment in Selangor noted 11,642 transactions for a total value of RM14,624.78 million in 2024. This was higher than 2023, which recorded 10,110 transactions amounting to RM10,731.53 million.
- Meanwhile, the state's residential sector witnessed a total of 56,167 transactions, totalling RM31,684.46 million in 2024. This indicated a growth in both transaction volume and value compared to 2023, which had 55,035 transactions valued at RM30,255.16 million.
- The improvement seen in property market activities during this period can be attributed to catalysts implemented via various government initiatives, especially those outlined in Malaysia's Budget 2024, as well as improvements in labour market conditions.

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4.0 Johor Economic and Property Market Overview

4.1 Economic Overview

Table 4.1a: Johor Economic Overview, 2015 – 2023

Key Indicators	CAGR ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GDP at Constant 2015 Prices (RM million)	3.8%	110,002	116,662	123,561	130,586	134,226	128,074	131,243	142,370	148,205
Real GDP Growth (%)	-	n.a.	6.1%	5.9%	5.7%	2.8%	-4.6%	2.5%	8.5%	4.1%
GDP per Capita at Current Prices (RM)	4.1%	30,469	32,894	35,315	36,388	37,377	33,861	36,465	41,046	41,902
Real GDP by Economic Activity (%)										
Services	-	48.2%	48.2%	48.6%	49.3%	51.1%	51.9%	52.1%	53.3%	54.0%
Manufacturing	-	29.4%	29.2%	29.5%	29.4%	29.9%	30.2%	31.0%	30.2%	29.8%
Agriculture	-	14.2%	12.9%	13.1%	12.4%	12.2%	13.2%	12.9%	12.2%	11.6%
Others	-	8.2%	9.7%	8.8%	8.9%	6.8%	4.6%	4.0%	4.3%	4.6%
Population (person)	1.6%	3,610,300	3,651,800	3,697,000	3,749,400	3,761,200	4,009,700	4,020,000	4,028,300	4,107,200
Population Density (Per km ²)	-	189	191	193	196	196	209	210	210	214
Employment Labour Force ('000 person)	3.0%	1,633.2	1,639.1	1,671.7	1,745.1	1,805.7	1,840.6	1,835.0	1,881.4	2,071.3
Employed ('000 person)	3.1%	1,582.6	1,580.6	1,614.7	1,693.3	1,756.1	1,775.6	1,764.7	1,819.5	2,017.9
Unemployment Rate (%)	-	3.1%	3.6%	3.4%	3.0%	2.7%	3.5%	3.8%	3.3%	2.6%
Monthly Household Income	3.5%	-	6,928	-	-	8,013	-	-	8,517	-
Urbanisation Rate ²	-	-	-	-	-	-	77.4%	-	-	-
Male to Female Ratio	-	53 : 47	53 : 47	53 : 47	53 : 47	52 : 48	53 : 47	53 : 47	53 : 47	53 : 47
Ethnicity (%)										
Bumiputera	-	59.4%	59.6%	59.7%	60.0%	60.3%	60.1%	60.3%	60.6%	60.9%
Chinese	-	33.0%	32.6%	32.7%	32.4%	32.1%	32.8%	32.6%	32.4%	32.1%
Indian	-	7.1%	7.0%	7.0%	7.1%	7.0%	6.6%	6.6%	6.5%	6.5%
Others	-	0.5%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%
Age Structure										
Median Age	-	28.7	28.9	29.2	29.4	29.6	29.3	29.6	29.9	30.2
0 - 14 years	-	24.7%	24.3%	23.9%	23.6%	23.4%	23.9%	23.6%	23.1%	22.3%
15 - 64 years	-	69.0%	69.2%	69.4%	69.5%	69.4%	70.0%	70.0%	70.2%	70.7%
65 years and above	-	6.3%	6.5%	6.7%	6.9%	7.2%	6.1%	6.4%	6.7%	7.0%

Source: DOSM

Note: ¹CAGR applies from the earliest to the latest available data²Latest available information from Census 2020

- Johor's estimated GDP in 2023 reached its highest point in recent years, with a CAGR of 3.8% from 2015 to 2023. The GDP for Johor experienced a 4.1% increase from RM142,370 million in 2022 to RM148,205 million in 2023, measured at constant 2015 prices.
- Johor is presently ranked as Malaysia's third-largest economic contributor, following Selangor and Kuala Lumpur. It is also the second-largest contributor to national trade and contributes for 9.5% of the country's Gross Domestic Product (GDP). In 2023, Johor contributed 29% or RM753 billion to the country's total trade. According to RHB Investment, Johor's GDP growth surpassed Malaysia's by 4.1% in 2023, largely driven by the services and manufacturing sectors, which together made up 84% of Johor's GDP. Over the past five years, Johor's service sector has seen the fastest growth compared to other Malaysian states. Several

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economic and demographic factors are fuelling the service sector in Johor, particularly consumer spending and retail trade, which are supported by the rise of the middle class and the increase in per capita income. Additionally, the major ports such as Tanjung Pelepas Port (PTP) and Johor Port facilitate export and import activities in the state.

- As of 2023, Johor's population has reached 4,107,200, accounting for 12.3% of Malaysia's total population, with an average population density of 214 persons per square kilometre.
- The unemployment rate in Johor experienced a decrease of -21.2% from 3.3% in 2022 to 2.6% in 2023 and stands notably lower than the national level of 3.4% for the year 2023.

4.2 State Government Policies and Initiatives

There were some incentives announced to attract high-value investment and support the development of the Johor-Singapore Special Economic Zone (JSSEZ).

- 5% tax rate for a period of 15 years is granted to companies investing in qualifying manufacturing and services activities, such as those involving the artificial intelligence and quantum computing supply chain, medical devices and aerospace manufacturing.
- 15% personal income tax rate enjoyed by individual knowledge workers for 10 years.
- Reduction in entertainment duty by the Johor state government aims to boost tourism and leisure-related investments.

For the Special Financial Zone (SFZ), the following incentives and allowances will be given as listed below:

- Zero per cent corporate tax rate for family officers under the Single-Family Office Scheme.
- 5% corporate tax rate applied to financial global business services, financial technology, and foreign payment systems.
- 15% personal income tax rate enjoyed by individual knowledge workers.
- Special tax reduction is given for banking institutions, insurance companies, and capital market intermediaries on relocation costs, enhanced industrial building allowances, and withholding tax exemptions.

Furthermore, the Johor state government introduced the following policies and initiatives, with key highlights including incentives that impact investment, infrastructure, tourism, and labour segments in Johor.

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- Maximizing the benefits of the Johor-Singapore Special Economic Zone (JS-SEZ) and the Forest City Special Financial Zone (FC-SFZ). A total of RM 180 million has been allocated for upgrading the infrastructure of Bangunan Sultan Iskandar (BSI) and Kompleks Sultan Abu Bakar (KSAB).
- A total of RM 2.1 million has been allocated for the implementation of the Investment Promotion Mission and Strengthening Investment Networking.
- A total of RM 300,000 has been allocated to promote Johor as a premier investment destination by introducing the Invest Johor Transformation Initiative.
- A total of RM 100,000 has been allocated to implement the Integrated Collaboration Program with Industry and Policymakers to strengthen state investment policies and strategies.
- A total of RM 5 million has been allocated for Phase 2 of the Johor Zoo upgrading project.
- A total of RM 7 million has been allocated for the restoration works of the Muzium Tokoh.
- A total of RM 10 million has been allocated for the development of the Sungai Lebam Recreational Centre in Kota Tinggi.
- RM 300,000 has been allocated for upgrading tourism facilities at Pantai Seri Menanti, Muar.
- A total of RM 800,000 has been allocated for upgrading and constructing landmarks within the administrative area of Pontian district.

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- A total of RM 300,000 has also been allocated for the construction of a new recreational centre at Sungai Triang Besar, Mersing.
- A total of RM 200,000 has been allocated for upgrading the Kite Museum in Pasir Gudang.
- A total of RM 3.7 million has been allocated for the organization of international-level tourism events.
- A total of RM 7.2 million has been allocated for the implementation of various promotions and publicity for Visit Johor Year 2026.
- A total of RM 1 million has been allocated for upgrading facilities at the School of Hospitality and Tourism, Kolej Yayasan Pelajaran Johor (KYPJ).
- A total of RM 300,000 has been allocated for human resource training in the tourism sector, including the Nature Guide Course for National Parks.
- A total of RM 150,000 has been allocated for the development of the International Network for Sustainable Tourism Observatories (INSTO).
- A total of RM 812,000 has been allocated to promote Johor's arts and culture among the people, to be implemented through Yayasan Warisan Johor.
- Special Entertainment Duty Incentive for Theme Parks. The State Government has agreed to permanently reduce the entertainment duty rate for all theme parks to 5 percent starting January 1, 2025, down from the current rate of 25 percent.

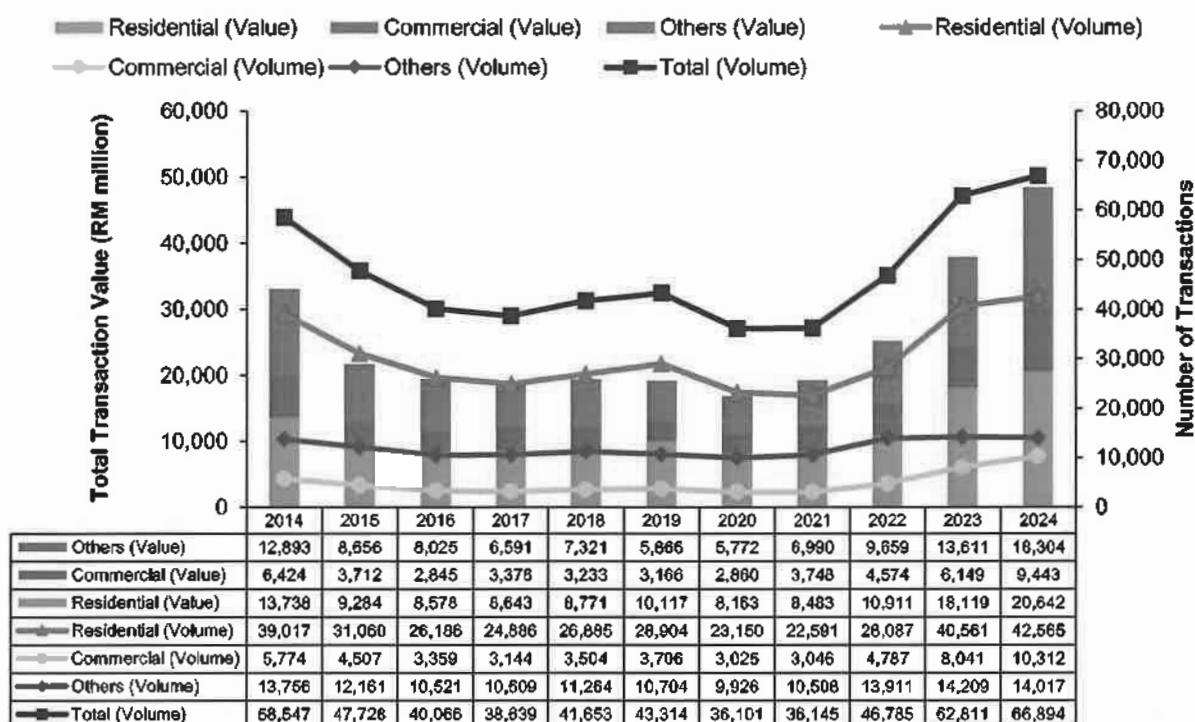
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4.3 Performance of Real Estate Market

Figure 4.3a: Johor Property Transaction Volume and Value, 2014 – 2024



Source: NAPIC

Note: Others include industrial, agricultural and development land.

- The Johor property market continued its uptrend in 2024, recording 66,894 transactions worth RM48,389 million, an increase of 6.5% in volume and 27.7% in value compared to 62,811 transactions worth RM37,880 million in 2023, setting a new historical record in total transaction volume and value across all sectors. This positive trend is driven by the Johor state government's initiatives, including the development of the RTS Link, the establishment of Forest City as a Special Financial Zone (SFZ), and the proposed Johor-Singapore Special Economic Zone, alongside the potential revival of the Kuala Lumpur-Singapore HSR.
- The residential sector remained the most significant component in 2024, with 42,565 housing units transacted at RM20,642 million, showing a 4.9% increase in total transaction volume and a 13.9% increase in total transaction value compared to 2023, which comprised 40,561 housing units transacted at RM18,119 million.
- For the commercial sector, the volume rose by 28.2% from 8,041 units in 2023 to 10,312 units in 2024, while the value increased by 53.6% from RM6,149 million to RM9,443 million during the same period.
- According to the Property Market Outlook Report 2024 by DataSense, Iskandar Puteri distinguishes itself by having the largest share of foreign demand, predominantly from Singaporean nationals and permanent residents. This robust demand is driven by the historic peak in property prices in Singapore. Additionally, according to Nikkei Asia, Malaysians who work in Singapore can afford to purchase properties in Johor due to the higher earning potential and stronger currency in Singapore compared to Malaysia.

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5.0 Overview of Retail Property Market

- In an era of rapid transformation and evolving consumer expectations, the global retail landscape redefines how businesses engage with shoppers. Trends such as the surge in e-commerce, the integration of advanced technology, and the shift toward experiential retail are reshaping the retail sector.
- Selangor has emerged as a key retail hub, attracting a diverse mix of brands and retailers expanding from the Kuala Lumpur retail market. This trend has been fueled by the state's rapid urbanisation, increasing population and strong economic growth. Retailers are expanding their presence in Selangor, establishing stores and shopping centres in strategic locations to capitalise on these favourable conditions.
- The recent completion of shopping malls in the country, particularly in Kuala Lumpur, has established a new benchmark for the retail sector. The new generation of malls comes complete with additional features and amenities, such as multi-purpose event halls, rooftop open spaces, and designated mobile apps to engage with visitors and enhance their shopping experience conveniently. These advancements reflect retailers' efforts to remain relevant and adapt to recent trends in the retail sector while boosting footfall. Notable examples include LaLaport at Bukit Bintang City Centre, featuring an event hall—Zepp KL, to host live music events, and The Exchange at Tun Razak Exchange (TRX), which offers a mobile app for mall visitors, Exchange Hall for events, and the 10-acre rooftop TRX City Park, promising shoppers an urban green oasis.
- Malaysia's retail sector is closely following this global transformation, undergoing significant changes that reflect the impact of the pandemic and the embrace of digital advancements. The retail sector is continuously adapting to address the shifting behaviours and preferences of consumers. This evolution is visible in various aspects of the retail experience, from online shopping to the diversification of in-person offerings.
- Retail brands have proliferated in Malaysia, substantially increasing the number and variety of brands over the past decade. This expansion is driven by domestic and international retailers recognising Malaysia's potential as a burgeoning consumer market. The growth of these brands provides shoppers with a broader range of choices and has led to a more competitive retail environment.
- Within the past decade, the retail scene in Malaysia, particularly Kuala Lumpur and Selangor, has experienced a significant transformation with the entry of international retailers from various regions, including Japan, China and Europe. Today, brands are more confident in expanding their presence to more than one mall within the same district, mainly attributed to the strong population growth and quality of malls that have entered the market within the past decade.
- Malls can be classified based on their formats and market positioning. In terms of positioning, malls can be categorised into three broad groups, i.e. mass-market malls, mid-market malls, and premium malls. These categories are defined as follows:
- **Premium malls:** Kuala Lumpur's rapid growth in both size and affluence has led to increased market segmentation, particularly at the upper end of the income spectrum. As the economy is expanding, there is also a growing segment of high-income earners. Today, a substantial high-income demographic and a steady influx of tourists provide strong support for premium malls such as Pavilion KL, Suria KLCC and The Gardens Mall.
- **Mid-market malls:** Mid-market malls are positioned in the middle-income group. Most of the larger malls offer a diverse range of retail options, which encompass everything offered by megamalls and regional malls. The bigger malls usually have a significant presence of established international brands and are anchored by departmental stores and supermarkets such as 1 Utama Shopping Centre, IOI City Mall and MyTOWN Shopping Centre.
- **Mass market malls:** Mass market malls cater to a broader range of shoppers but primarily focus on the mid to lower end of the market, emphasising affordability and accessibility. The appeal of mass-market malls lies in their price competitiveness and a wide variety of lesser-known or generic brands, such as Setia City Mall and Central i-City.
- Under the categories mentioned above, sub-categories that are defined by size and format as follows:

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- **Megamalls:** Megamalls are defined as malls with net lettable areas (NLA) exceeding one million sq ft. These include Mid Valley City (Mid Valley Megamall and The Gardens Mall), Pavilion Kuala Lumpur Mall, Suria KLCC, Sunway Pyramid and 1 Utama Shopping Centre.
 - **Regional malls:** Regional malls usually have NLA between 500,000 and 999,999 sq ft, which serves a broader catchment radius than neighbourhood malls, which serve a more immediate catchment. Retail offerings can be similar to megamalls, albeit on a slightly smaller scale, such as IOI Mall, Melawati Mall and Central I-City.
 - **Neighbourhood malls:** These malls are within 250,000 – 499,999 sq ft, usually serving an immediate neighbourhood with a primary catchment area of around 10 minutes' drive time. Trade mixes of neighbourhood malls generally focus on groceries, F&B, services and conveniences, mainly catering to the immediate catchment, such as Bangsar Shopping Centre, Main Place @ USJ21 and The Starling Mall.
 - **Lifestyle mall or retail podiums:** The evolution of retail podiums is observed to have increased over the years, ranging from 150,000 – 250,000 sq ft of retail space. Such malls are usually within a mixed development aimed towards the immediate catchment, such as Damansara City Mall and Megah Rise Mall.
- Bukit Tinggi Shopping Centre is a leading neighbourhood mall located in a mature township in Klang despite having a gross lettable area (GLA) of 1,000,950 sq ft. It is designed to serve the Klang community by offering a wide range of retail, dining, and entertainment options.
 - Paradigm Mall Petaling Jaya, a regional mall with 680,048 sq ft of NLA, caters to the mid-market and serves the surrounding residential and office communities in Petaling Jaya, Selangor.
 - Paradigm Mall Johor Bahru, a megamall with 1,292,956 sq ft of NLA, serves as a key retail and entertainment hub in the Iskandar Malaysia region.

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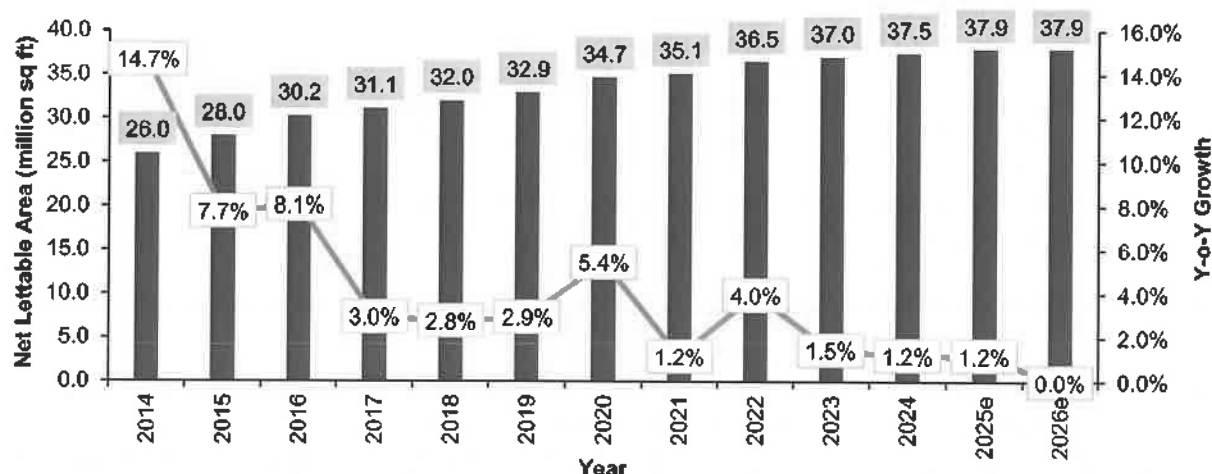


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6.0 Selangor Retail Property Market

6.1 Cumulative Supply

Figure 6.1a: Cumulative Retail Space Supply in Selangor*



Source: Savills Research

Note: e – Estimation

*This study is tailored to exclude hypermarkets

- As of 2024, the cumulative retail supply in Selangor stood at 37.5 million sq ft of NLA across 90 retail malls, with a yearly increase of 1.4%, from 37.0 million sq ft in 2023 due to new mall openings.
- Of this number, 74.4% are neighbourhood malls with less than 500,000 sq ft of NLA catering to serve its surrounding community.
- Whilst 23 malls are megamalls and regional malls, including IOI Mall, KSL Esplanade Mall, Klang Parade, Setia City Mall, Central I-City and The Curve.
- Since 2019, several major malls have opened, including IOI Mall Damansara (formerly known as Tropicana Gardens Mall) (1.0 million sq ft NLA), Setia City Mall Phase 2 extension (400,000 sq ft NLA), IOI City Mall 2 extension (1.0 million sq ft NLA) and KSL Esplanade Mall (650,000 sq ft NLA).
- Several existing megamalls in Selangor have been observed to be expanding over the past decade, driven by rising consumer demand and growing populations.
- Contributing to the increase in retail space is also the increasing number of retail podiums in Selangor from mixed-used developments, typically part of larger residential or commercial projects.
- New completions in 2024 include Elmina Lakeside Mall (200,000 sq ft) at Elmina City and 168 Park Mall (200,000 sq ft) at Selayang. The completion of Sunsuria Forum @ 7th Avenue (150,000 sq ft) in Setia Alam and Sunway SQ Mall in Bandar Sunway (300,000 sq ft), both set for 2025, will bring the cumulative retail space in Selangor to approximately 37.9 million sq ft by the end of 2026.

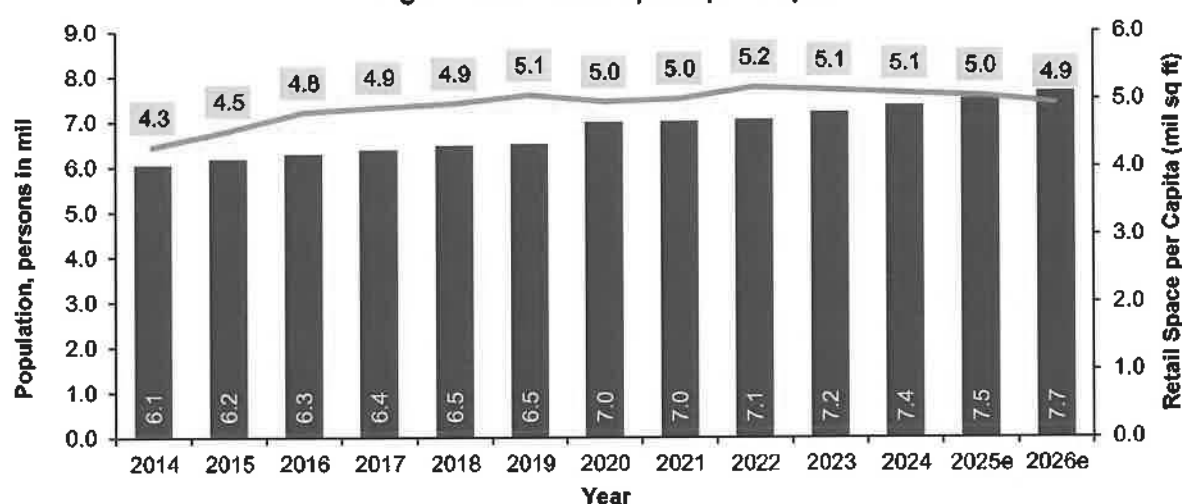
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6.2 Population and Retail Space Supply Per Capita

Figure 6.2a: Retail Space per Capita



Source: Savills Research, DOSM

Note: e – Estimation

- Selangor, the most populous state in Malaysia, has experienced dynamic growth in both its retail supply and population over the past decade. This growth, however, has not been evenly matched, resulting in notable shifts in retail space per capita.
- From 2014 to 2024, the cumulative retail supply in Selangor has expanded at a 3.7% CAGR, indicating economic vitality in Selangor. Significant developments have substantially increased retail space, including Setia City Mall Phase 2 (in 2021) and the expansion of IOI City Mall in 2022. The opening of IOI City Mall Phase 2 added approximately 1.0 million sq ft of NLA together. Along with other malls, such as Mitsui Outlet Phase 3, Setia Ecohill Walk and Megah Rise Mall, this contributed to a 4.0% y-o-y growth in retail space supply for that year.
- In contrast, the population in Selangor has grown at an annual average of 2.0% since 2014. By 2026, the population is projected to reach 7.7 million, assuming this growth rate continues.
- The mismatch between retail supply and population growth has led to a notable increase in retail space per capita. It increased from 4.3 sq ft per capita in 2014 to an estimated 5.1 sq ft per capita in 2024.
- However, the market is approaching a phase of slower expansion, with future projections indicating a decline in retail space per capita. By the end of 2024, the retail space per capita is estimated to be 5.1 sq ft, with an anticipated further decline to around 4.9 sq ft by the end of 2026 due to the absence of significant new retail supply.

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6.3 Future Supply of Malls

Table 6.3a: Future Supply of Malls in Selangor, 2025e

No.	Name of Mall	Location	Approx. Net Lettable Area (sq ft)	Expected Completion
1	Sunway SQ Mall	Bandar Sunway	300,000	Q3/2025e
2	Sunsuria Forum @ 7th Avenue	Setia Alam	150,000	Q3/2025e

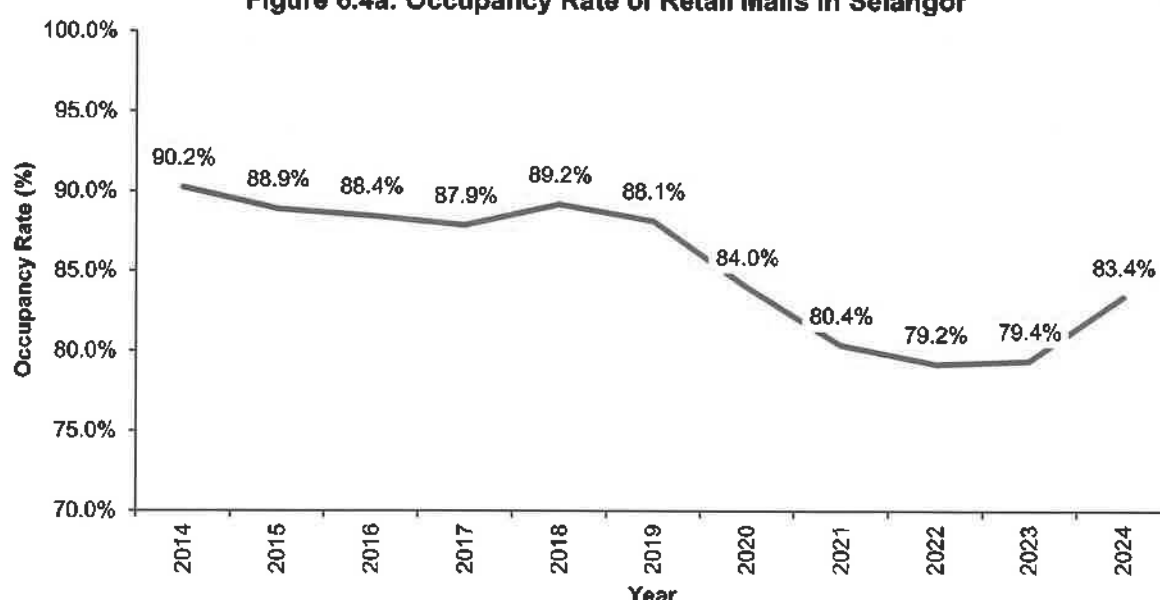
Source: Savills Research

Note: e – Estimation

- Years ago, malls in the pipeline were predominantly large-scale, ranging from 500,000 sq ft to over 1.0 million sq ft of NLA, reflecting a trend toward mega retail complexes. Now, with these megamalls fully established and serving extensive consumer bases, we are witnessing the results of those earlier developments.
- These mega complexes have become retail and entertainment destinations, suggesting that Selangor's retail landscape has matured. This maturity is paving the way for smaller, more community-focused malls that complement these existing megamalls.
- New completions in 2024 include Elmina Lakeside Mall (200,000 sq ft) and 168 Park Mall (200,000 sq ft). Meanwhile, Sunway SQ Mall (300,000 sq ft) and Sunsuria Forum @ 7th Avenue (150,000 sq ft) are scheduled to open in Q3/2025.

6.4 Occupancy Rate Trends

Figure 6.4a: Occupancy Rate of Retail Malls in Selangor



Source: Savills Research

- Selangor's average occupancy rate of malls was estimated at 83.4% as of 2024, an increase of 5.0%(y-o-y) from 79.4% in 2023.

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- Following the opening of new malls throughout the years, the average occupancy rate of retail malls in Selangor demonstrates an initial decline followed by a gradual recovery, suggesting a period of downturn followed by improvement. This indicates competition between malls in attracting quality tenants to serve the consumers. The rate has further declined since the onset of the COVID-19 pandemic, primarily due to the business restriction measures imposed during that period.
- Whilst megamalls in prime locations in Selangor have managed to maintain relatively stable occupancy rates by offering rent rebates to their tenants, malls in secondary locations were particularly hard hit by closures during the enforcement of MCO, resulting in a significant reduction in occupancy rate. The pandemic has primarily impacted neighbourhood malls that are mainly tenanted by local retailers, such as SACC Mall, Main Place @ USJ 21, Atria Shopping Gallery and Amerin Mall.
- Moving forward, the average occupancy rates have steadily risen, reflecting a resurgence in business confidence among retailers, particularly in regional and neighbourhood malls.
- Notably, key retailers from Kuala Lumpur have also been observed expanding into Selangor, indicating a cross-pollination of retail brands between the two regions, showing a more vibrant retail scene compared to the pre-pandemic era.
- An increasing average occupancy rate in the retail market is a positive sign, indicating a healthier and more vibrant market.

6.4.1 Factors Influencing Retail Demand

- **Growth in population:** The rising consumer demands and greater disposable income have allowed the retail industry to grow and prosper. According to DOSM, Selangor's population is projected to reach 8.0 million by 2035. This will be the most significant factor fuelling the retail demand over the next decade.
- **Increase in number of employments:** An increase in the employment rate will result in spending power growth. As of 2024, Selangor had one of the lowest unemployment rates nationwide at 1.7%, according to DOSM, reflecting strong consumer confidence in retail spending.
- **Government initiatives to support household spending:** The government initiated an incentive through cash transfers to targeted groups, special appreciation in terms of aid for civil servants and pensioners, and e-wallet incentives. The growing social commerce trend is expected to boost private consumption. The retail trade segments are expected to increase in line with consumption trends.
- **Tourism sector:** Tourism Malaysia recorded 25.0 million tourist arrivals in 2024, reflecting a 24.2% increase from 20.1 million in 2023. Higher tourist arrivals resulted in greater tourist expenditure, as evidenced by a 43.4% rise in tourist receipts, from RM71.3 billion in 2023 to RM102.2 billion in 2024. A good industry sector is an immediate booster of retail demand.
- **Rise of integrated development:** The inclination towards integrated development has risen significantly. The introduction and extension of mass rapid transit (MRT) has spurred the expansion of transit-oriented developments (TODs). The idea of integrated development to have shopping amenities on the same premises without driving out had remarkably affected the retail demand.
- **GDP Growth:** Malaysia's GDP grew by 5.1% in 2024 (2023: 3.6%). As GDP increases, consumer confidence strengthens, leading to higher disposable income and a greater propensity for discretionary spending. This positive economic sentiment encourages more frequent purchases, supporting the growth of the retail industry.

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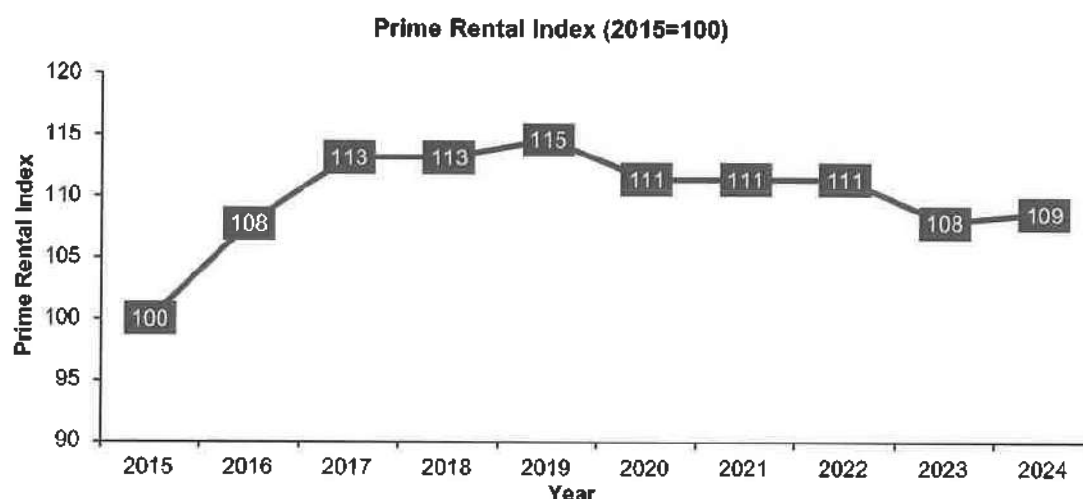


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6.5 Rents

- Prime Malls in Kuala Lumpur City Centre command significantly higher rents compared to those in suburban areas. The top performing malls in the Kuala Lumpur city centre and the Golden Triangle have consistently led the Greater Kuala Lumpur (GKL) retail market, particularly for the ground floor rental, from as low as RM19.80 per sq ft to as high as RM200.00 per sq ft.
- The prime rental index for the six prime malls in GKL is detailed in Figure 6.5a below, highlighting key rental trends and performance across these top retail locations.

Figure 6.5a: Prime Rental Index in GKL



Source: Savills Research

- Prime rent is defined as the average rental rate per month for retail lots located on the ground or concourse floor, receiving the highest level of traffic within the mall.
- From 2015 to 2019, prime rents saw a consistent upward trend, with notable increases in 2016 and 2017, as reflected by the rental index. By 2018, the rental index had stabilised before it grew modestly to 115 index points in 2019, supported by steady consumer demand.
- The trend shifted in 2020 when prime rents began to decline, remaining stagnant over the next three years. This was mainly due to the dual impact of the COVID-19 pandemic and the opening of several new malls, which led to reduced tenant movement and limited leasing activity during 2020 to 2022.
- Nevertheless, the prime rent index declined to 109 index points in 2024. The growing competition among malls, particularly megamalls and existing underperforming malls with low occupancy rates, has contributed to downward pressure on rental prices.
- Moving forward, prime rents are expected to improve as the economy recovers gradually. Increased footfall from local shoppers and international tourists will play a key role in this recovery.
- Additionally, the active brand expansions and the competition for premium retail spaces will further drive rents upward as retailers seek to secure prime locations in high-footfall areas.

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6.6 Major Retail Property Transactions in Selangor

Table 6.6a: Retail Property Transactions in Selangor

Shopping mall	Location	Year	NLA (million sq ft)	Consideration		Purchaser
				RM million	RM psf	
Selangor						
IOI Mall Damansara <i>(formerly known as Tropicana Gardens Mall)</i>	Petaling Jaya	2024	1.1	680	1,027	IOI Properties Group Bhd
Dpulze Shopping Centre**	Cyberjaya	2024	0.3	320	648	KIP REIT
Plaza Alam Sentral	Shah Alam	2023	0.4	178	406	Selangor State Development Corporation
Empire City Mall*	Petaling Jaya	2021	1.7	180	-	Rubberex Corporation (M) Bhd
Ampang Point Mall	Ampang	2020	0.3	300	1,200	Nadin Holdings Sdn Bhd
SS2 Mall (vacated building)	Petaling Jaya	2018	0.5	180	391	DK-MY Properties Sdn Bhd
BMC Mall <i>(formerly known as AEON Mahkota Cheras Shopping Centre)</i>	Bandar Mahkota Cheras	2017	0.2	87.8	415	Foremost Wealth Management Sdn Bhd
NU Empire <i>(formerly known as Empire Shopping Gallery)</i>	Subang Jaya	2017	0.4	570	1,629	Pelaburan Hartanah Berhad (PHB)
Da Men Mall	Subang Jaya	2016	0.4	480	1,000	Pavilion REIT
3 Damansara Mall <i>(formerly known as Tropicana City Mall)</i>	Petaling Jaya	2015	0.4	540	1,205	CapitaLand Malaysia Trust <i>(formerly known as Capitaland Malaysia Mall Trust)</i>

Note: *Rubberex Corporation (M) Bhd acquired a 20% stake in Empire City Mall in Petaling Jaya for RM180 million cash

**The acquisition is expected to be completed in 2025, subject to the fulfilment of the conditions precedent of the sale and purchase agreement.

Source: Savills Research

- In 2024, two notable transactions took place in Selangor's retail market. The first involved Dpulze Shopping Centre in Cyberjaya with a NLA of 300,000 sq ft, which KIP REIT purchased for RM320 million. The second transaction was Tropicana Gardens Mall, which IOI Properties Group Berhad acquired at a higher price of RM1,027 per sq ft for its substantial 1.1 million sq ft NLA, the mall is now known as IOI Mall Damansara.
- Over the years, several significant retail transactions have shaped the retail market in Selangor. In 2023, Plaza Alam Sentral was sold to Selangor State Development Corporation for a consideration of RM178 million, with a NLA of 400,000 sq ft. A notable transaction occurred in 2021 when Rubberex Corporation (M) Berhad ventured into property investment with a strategic 20% stake in the ongoing development of Empire City Mall. This bold move, amounting to RM180 million, marked Rubberex Corporation's entry into the property investment sector.
- A year earlier, in 2020, another significant deal took place. Nadin Holdings Sdn Bhd made headlines with its acquisition of Ampang Point Mall. This approximately 300,000 sq ft of retail space, previously owned by

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Purple Boulevard Berhad, was purchased for a substantial RM300 million. Ampang Point Mall is a key landmark in its area.

- DK-MY Properties Sdn Bhd acquired the suburban shopping centre, SS2 Mall, in 2018 for an estimated RM180 million with a NLA of approximately 460,000 sq ft from AsiaMalls Sdn Bhd.
- In 2017, the retail property market witnessed two noteworthy transactions. AEON Co (M) Bhd sold BMC Mall (formerly known as AEON Mahkota Cheras Shopping Centre) to Foremost Wealth Management Sdn Bhd for RM87.8 million, signalling AEON's strategic portfolio realignment. On the other hand, Mammoth Empire sold the Empire Shopping Gallery to Pelaburan Hartanah Berhad for RM570 million with an NLA of 370,000 sq ft spread across five levels, the mall is now known as NU Empire.
- The trend of strategic acquisitions dates back even further, involving REITs. In 2015, CapitaLand Malaysia Trust acquired Tropicana City Mall, now known as 3 Damansara. This acquisition allowed CapitaLand Malaysia Trust to penetrate the Petaling Jaya retail market. The following year, Pavilion REIT expanded its reach by acquiring Da Men Mall in Subang Jaya, aiming to capitalise on the mall's prime location and potential for growth.

6.7 Selangor Retail Market Snapshot and Outlook

- Selangor is the combination of nine district areas that include the District of Gombak, District of Hulu Langat, District of Hulu Selangor, District of Klang, District of Kuala Langat, District of Kuala Selangor, District Petaling, District of Sabak Bernam and District of Sepang. As of 2024, Selangor's population stood at over 7.4 million people, making it the most populous state in Malaysia.
- As of 2024, the cumulative supply of retail space in Selangor stands at 37.5 million sq ft.
- In 2023, KSL Esplanade Mall was opened with an NLA of 650,000 sq ft. In 2022, several major malls opened, including the extension of Mitsui Outlet Park KLIA Phase 3 (75,000 sq ft), an extension of IOI City Mall (1.0 million sq ft), Setia Eco Hill Walk (170,000 sq ft) and Megah Rise Mall (142,000 sq ft).
- Two new malls opened in 2024, namely Elmina Lakeside Mall and 168 Park Mall. Sunsuria Forum @ 7th Avenue and Sunway SQ Mall are expected to open in 2025.
- The overall occupancy rate (83.4%) in Selangor rose by 5.0% y-o-y in 2024, indicating a recovery from the drop-in occupancy rates experienced during the pandemic. This gradual increase is a sign that the retail sector in Selangor is rebounding, reflecting improved business confidence and consumer activity.
- The general sentiment in the market is expected to be softer this year, as it is affected by the rising cost of living. Retailers are holding onto a cautiously optimistic outlook after witnessing a strong start in total retail sales in 2023, then saw a change in momentum in the drop in total retail sales.
- In contrast, the opening of The Exchange TRX in KL City has proved that the Malaysian market holds huge potential for international brands to enter and expand. This expansion of brands in KL City is expected to create an overspill effect in the Selangor market, further driving regional demand and development.
- The improvement in public transport and the construction of The Light Rail Transit 3 (LRT 3) will benefit over two million residents in the Klang Valley, especially from Petaling Jaya to Klang. The LRT3, which starts in Bandar Utama and ends in Johan Setia, is expected to begin its operations on September 30, 2025.

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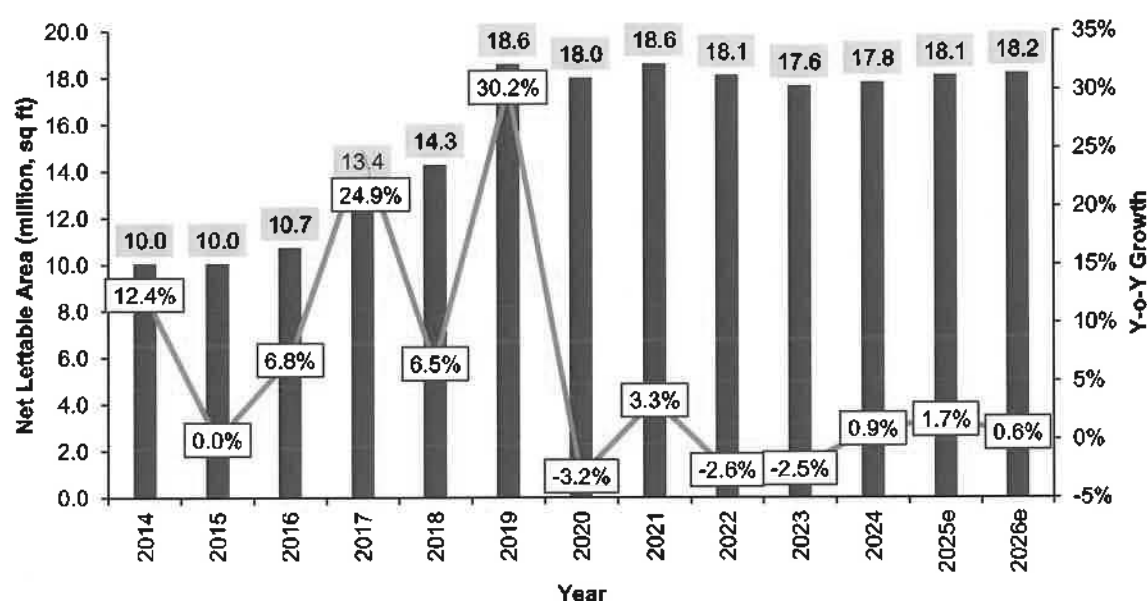


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7.0 Iskandar Malaysia Retail Property Market

7.1 Cumulative Supply

Figure 7.1a: Cumulative Supply of Retail Space in Iskandar Malaysia*



Source: Savills Research

Note: e – Estimation

*This study is tailored to exclude hypermarkets

- Iskandar Malaysia's retail supply recorded a cumulative supply of about 17.8 million sq ft in 2024. Historically, retail spaces experienced a slightly stagnant or muted supply after 2019.
- The year 2017 recorded an increase of 24.9% in the cumulative supply of retail space in Iskandar Malaysia following the opening of Paradigm Mall Johor Bahru, which offers a NLA of 1,292,956 sq ft.
- The retail space in Iskandar Malaysia increased drastically in 2019 by 30.2% with the completion of five malls, of which two are megamalls, i.e. Mid Valley Southkey (1.5 million sq ft NLA) and Toppen Shopping Mall (1.1 million sq ft NLA).
- After the opening of three megamalls in the region, the pace of supply growth was slow. This can be attributed to the absorption of retail space as megamalls begin to establish their presence.
- It is noticeable that the upcoming supply of retail spaces has shifted towards smaller retail spaces below 150,000 sq ft of NLA, primarily within a mixed development, aiming to serve the immediate neighbourhood.
- The supply of retail space in Iskandar Malaysia experienced a drop in y-o-y growth of -3% in the years 2020, 2022 and 2023 as a result of the closure of Capital City Mall in 2020, Today's Mall in 2022 and Skudai Parade in 2023, with no new supply recorded since 2021.
- As of 2024, there are a total of 45 significant retail malls identified, of which approximately 24.4% are located in Johor Bahru City Centre (JBCC) with an accumulated NLA of 4.5 million sq ft, whilst approximately 75.6% are within suburban areas with an accumulated NLA of 13.3 million sq ft. The total accumulated NLA for all malls is 17.8 million sq ft.
- Two upcoming retail malls coming within the next two years are SKS Mall JBCC (280,000 sq ft) and Horizon Mall (150,000 sq ft).

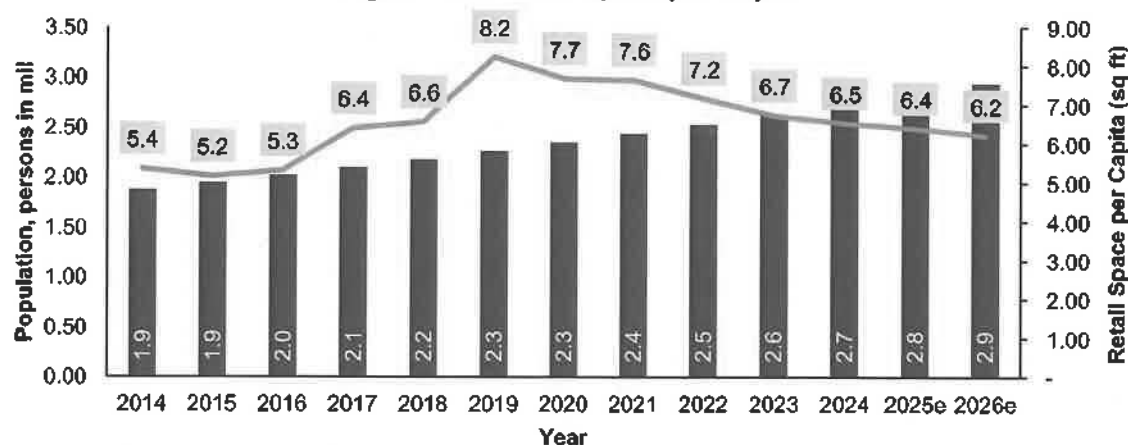
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7.2 Population and Retail Space Supply Per Capita

Figure 7.2a: Retail Space per Capita



Source: Savills Research, DOSM
 Note: e – Estimation

- Iskandar Malaysia has experienced substantial growth at 3.8% per annum in its population since 2014. The population is projected to reach approximately 2.9 million by 2026, creating a robust market for real estate and retail sectors.
- In 2019, Iskandar Malaysia recorded a substantial increase in retail space per capita, which reached 8.2 sq ft due to the opening of several major malls, including R&F Mall, Mid Valley Southkey, Toppen Shopping Mall and Sunway Big Box Village. Further expansion continued in 2020, with an additional 400,000 sq ft of NLA injected into the supply, which includes D'Pristine Mall, Puteri Cove Quayside, The Meridin Walk, Meridin @ Medini Phase 1 and Phase 2.
- However, retail space per capita decreased to 6.5 sq ft in 2024. It is forecasted to drop further to 6.2 sq ft by 2026, attributed to slower growth in retail space supply. This reduction in supply is expected to drive demand for existing retail malls, supporting higher occupancy rates and more stable rental incomes in Iskandar Malaysia.

7.3 Future Supply of Malls

Table 7.3a: Future Malls in Iskandar Malaysia, 2025 – 2028e

No.	Name of Mall	Location	Approx. Net Lettable Area (sq ft)	Expected Completion
1.	SKS City Mall JBCC	Johor Bharu	280,000	Q4/2025
2.	Horizon Mall	Johor Bharu	150,000	2026e*
3.	Proposed mall in Coronation Square	Johor Bharu	1.2 million	2028e*
4.	Proposed mall in W City Larkinton Johor Bahru	Johor Bharu	Under planning	Under planning

Source: Savills Research

Note: e – Estimation

*The exact opening date is unavailable.

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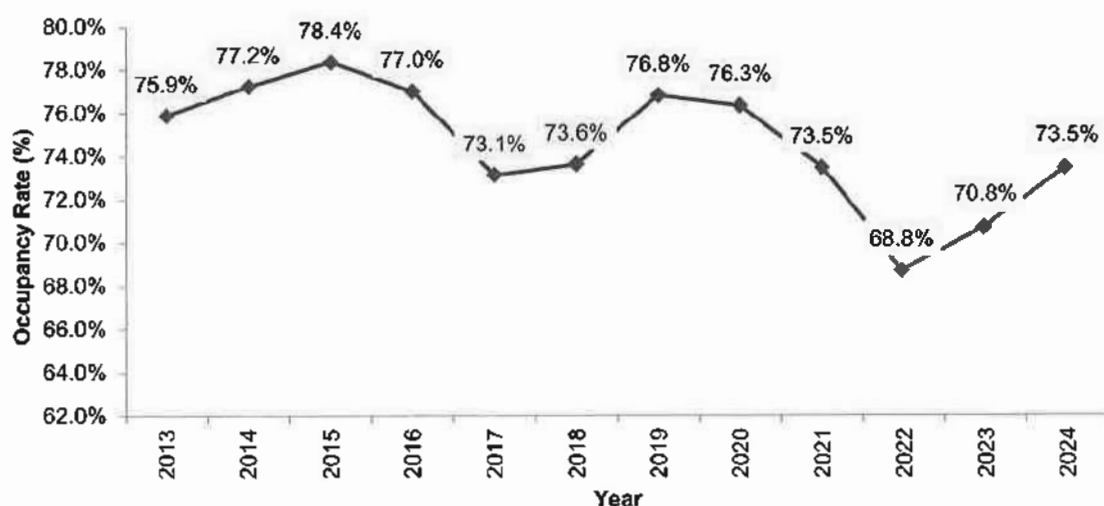
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- The future supply of retail space in Iskandar Malaysia is limited compared to previous years, with The Commune Lifestyle Mall in Kulai completed in Q3/2024 and two malls—SKS City Mall JBCC (280,000 sq ft) and Horizon Mall (150,000 sq ft)—expected to be operational as of 2026.
- The COVID-19 pandemic has caused a pause in planned shopping mall developments as developers reassess their strategies in response to changing market dynamics.
- However, two proposed malls are being planned in Johor Bahru city, i.e. Coronation Square and W City Larkinton Johor Bahru.
 - Coronation Square, covering 6.4 acres, will feature a mall with 1.2 million sq ft retail space across seven levels. It is located near the upcoming Johor Bahru-Singapore RTS link, CIQ Complex and Johor Bahru Sentral.
 - W City Larkinton Johor Bahru, developed by WCT Land, spans 68 acres and will include residential components, a retail mall, a convention centre, office and hotel blocks. However, details on the proposed retail mall have not yet been confirmed.
- Additionally, some abandoned malls are identified in the Johor Bahru area, including Danga City Mall (500,000 sq ft), Waterfront City (380,000 sq ft) and Pacific Mall Johor Bahru (370,000 sq ft). These malls have no sign of revitalisation except Pacific Mall Johor Bahru, which is being revamped into SKS City Mall JBCC, scheduled for completion in 2025.

7.4 Occupancy Rate Trends

Figure 7.4a: Occupancy Rate of Retail Malls in Iskandar Malaysia



Source: Savills Research, NAPIC

- The average occupancy rate of malls in Iskandar Malaysia was 73.5% as of 2024, an improvement of 2.7% from 70.8% in 2023.
- The retail sector in Iskandar Malaysia faced significant challenges during the pandemic and MCO, primarily due to its reliance on local retailers, including mom-and-pop stores, rather than international or big-brand retailers.

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- The localised nature of the retail landscape meant that many local retailers struggled to survive the economic downturn caused by the pandemic. This led to a high rate of store closures due to financial difficulties, particularly in meeting rental obligations.
- The closure of international borders has also stopped shoppers from Singaporean shoppers, who contribute a considerable share in retail sales.
- The retail market in Iskandar Malaysia is slowly approaching recovery after hitting its lowest point in 2022 at 68.8%, the weakest throughout 12 years as tenant movements are seen to be intensely active.
- Mid Valley Southkey Mall, Johor Bahru City Square and AEON Mall Tebrau City have welcomed several brands to expand their business and new set-ups. Notable tenants include Decathlon, which opened its first outlet outside Klang Valley in Toppen Shopping Centre in January 2023 and has continued its brand expansion to other locations such as Johor Bahru City Square.
- Looking ahead, the retail market in Iskandar Malaysia is poised to regain momentum with the return of both local and international visitors, especially Singaporeans.

7.4.1 Factors Influencing Retail Demand

- **Currency Exchange Rate Against SGD:** The favourable currency exchange rate against the Singapore Dollar (SGD) incentivises Singaporean shoppers to cross the border into Johor Bahru for shopping, leading to increased retail demand and footfall in the city's shopping districts and malls.
- **Increase in Service Tax on Selected Services:** The rise in the service tax rate from 6% to 8% on certain services could affect consumer behaviour and retail demand. This increase may lead to higher operational costs for retailers, as retailers incur more significant expenses for services necessary for their operations, potentially impacting consumer spending patterns and preferences.
- **Johor as a Booming State, FDI Magnet and SEZ hub:** Johor's status as a rapidly growing state and a magnet for Foreign Direct Investment (FDI) attracts industrial players and high-net-worth individuals (HNIs) to the region. This drives higher disposable income and retail demand for luxury goods, upscale experiences, and premium services. The JS-SEZ and SFZ further strengthen Johor as an economic hub, attracting skilled talent, businesses, and financial institutions. These zones create jobs, boost spending, and accelerate economic growth, supported by the favourable exchange rate with Singapore.
- **Improved Connectivity and Infrastructure:** Following the upcoming RTS, retail activity in Johor will likely be spurred. It will benefit both the Iskandar Malaysia and Singapore retail markets. Despite massive traffic during public holidays and festivals, this is evidenced by the influx of Singapore shoppers and holidaymakers into Iskandar, Malaysia. The footfall is expected to increase, mainly in malls located a stone's throw from the upcoming Bukit Chagar RTS Station.
- **Consumer Confidence:** Consumer confidence in retail spending plays a crucial role in driving retail demand. Positive economic indicators, job stability, and optimism about the future encourage consumers to spend more freely, supporting retail businesses and stimulating growth in the retail sector.
- **Population Growth and Economic Activity:** Iskandar Malaysia's population growth, fueled by factors such as urbanisation, migration, and economic opportunities, directly correlates with increased business and economic activity in the region. As the population grows, so does the demand for goods and services, driving retail demand across various sectors, from essentials to luxury items.

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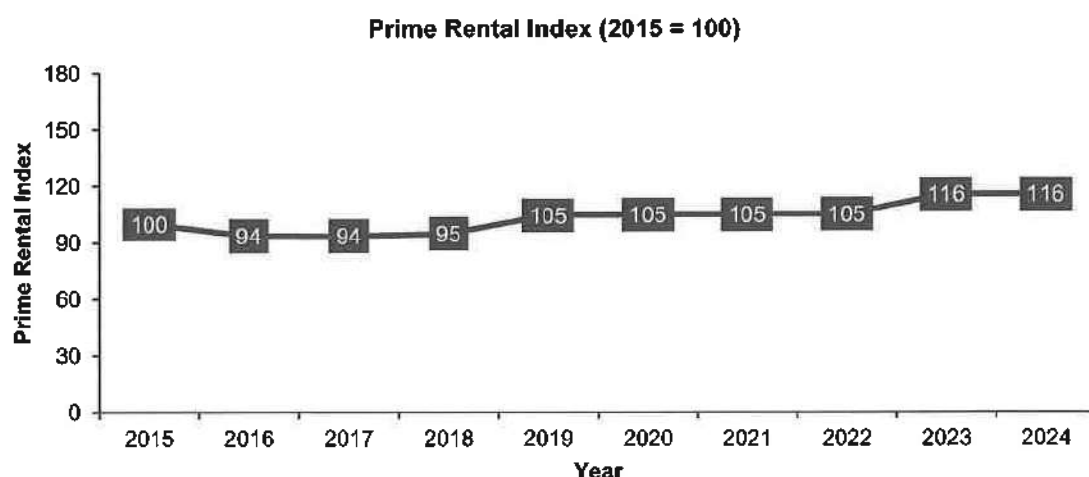
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7.5 Rents

- The prime rental index for the nine prime malls in Iskandar Malaysia is detailed in Figure 7.5a below, highlighting key rental trends and performance across these top retail locations.

Figure 7.5a: Retail Mall Rental Index in Iskandar Malaysia



Source: Savills Research

- Prime rents in selected malls across Iskandar Malaysia have remained relatively stable in recent years.
- Johor Bahru City Square, situated in Johor Bahru City Centre, recorded the highest ground floor rent at RM21.60 per sq ft per month during 2023 and 2024. In contrast, Plaza Angsana in the suburban area recorded the lowest rent at RM5.70 per sq ft per month during the same period.
- In 2019, the prime index rose to 105 index points, reflecting a 10.5% y-o-y growth, primarily driven by the opening of Mid Valley Southkey, which commands higher rental rates than other regional malls.
- Looking forward, prime rents are anticipated to increase, driven by key developments such as the Johor-Singapore Special Economic Zone (JS-SEZ) and Forest City Special Financial Zone (SFZ). These projects are expected to attract more investments and a growing workforce, expanding the consumer base and enhancing spending power. This, in turn, will spur demand for retail spaces, positively impacting prime rents.
- Additionally, the upcoming Johor-Singapore Rapid Transit System (RTS) will provide greater access for Singaporean shoppers to Johor Bahru. This will further help increase footfall to malls in Johor Bahru, intensifying competition for prime retail spaces and contributing to higher rental rates.

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7.6 Major Retail Property Transactions in Iskandar Malaysia

Table 7.6a: Retail Property Transaction in Iskandar Malaysia

Table 7.6a: Retail Property Transaction in Iskandar Malaysia						
Shopping mall	Location	Year	NLA (million sq ft)	Consideration		Purchaser
				RM million	RM psf	
Johor						
Johor Bahru City Square	Johor Bahru	2024	0.5	850	1,574	Allgreen Properties Ltd
Giant Hypermarket Plentong	Masai	2023	0.7	140	192	Sunway REIT
Capital City Mall	Iskandar Puteri	2023	0.6	368	573	Mustafa's Pte Ltd
Mydin Mall	Masai	2019	0.3	60	230	Mydin Mohamed Holdings Bhd
Mydin Mall Mutiara Rini	Johor Bahru	2018	0.9	220	244	Kumpulan Wang Persaraan (KWAP)
Komtar JBCC	Johor Bahru	2015	0.4	462	1,150	Al- Salam REIT

Source: Savills Research

- Iskandar Malaysia's retail transaction market is less active than Selangor's but has seen several significant deals.
- In 2024, Allgreen Properties Ltd, a subsidiary of Kuok Group, repurchased a 70% stake in Johor Bahru City Square in Johor Bahru for RM850 million cash. This acquisition marks the return of ownership for Kuok Group, having previously sold the stake to GIC Real Estate Ltd in 2004 for RM465 million. With this acquisition, Kuok Group's ownership in Johor Bahru City Square increases to 76%.
- One major transaction involved a 600,000 sq ft shopping mall in Tampoi. Singapore-based retailer Mustafa's Pte Ltd acquired 591 unsold retail units in Capital City Mall from Capita World for RM368 million, marking Mustafa's entry into the Malaysian market.
- Additionally, Mydin Mohamed Holdings Berhad purchased Mydin Mall in Taman Rinting, Masai, for RM60 million. Meanwhile, Kumpulan Wang Persaraan (KWAP) acquired Mydin Mall Mutiara Rini for RM220 million from Mydin Mohamed Holdings.
- In 2015, Al-Salam REIT acquired Komtar JBCC in Johor Bahru for RM462 million, with a NLA of approximately 400,000 sq ft.
- These transactions highlight the strategic investments and potential growth in Iskandar Malaysia's retail sector.

7.7 Iskandar Malaysia Retail Market Snapshot and Outlook

- As of 2024, the cumulative supply in Iskandar Malaysia reaches 17.8 million sq ft. The addition of retail spaces has been stagnant for the past five years. A significant addition happened before 2020 following the opening of three megamalls, i.e., Paradigm Mall Johor Bahru in 2017 with 1.3 million sq ft of NLA, Mid Valley Southkey (1.5 million sq ft NLA) and Toppen Shopping Mall (1.1 million sq ft NLA), both in 2019.
- Upcoming malls include two small-scale malls: SKS City Mall JBCC in 2025 and Horizon Mall in 2026. Malls in the pipeline are leaning towards smaller-sized neighbourhood malls that cater to the immediate surrounding population.
- Average occupancy rates of retail spaces in Iskandar Malaysia increased by 2.6% y-o-y to 72.6% in Q3/2024 (Q3/2023: 70.0%), attributed to retailers expanding their presence in Iskandar Malaysia.

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- Iskandar Malaysia's retail sector hit hard during the pandemic when the MCO was announced in 2020, followed by several lockdowns. Fortunately, after the reopening of international borders and reopening of the economy, the retail sector has seen an improvement with a gradual increase in occupancy rates.
- Retail sales from the Iskandar Malaysia market also depend on its neighbouring country – Singapore, as the SGD exchange rate remains favourable.
- Several initiatives and drivers are expected to increase the state's vibrancy and population. The upcoming Johor Bahru-Singapore Rapid Transit System (RTS) Link will boost the retail growth and economy in Iskandar Malaysia.
- The establishment of the Johor-Singapore Special Economic Zone (JS-SEZ) is also expected to be a key driver for growth in the local economy, attracting skilled workers and businesses. It will create job opportunities which would stimulate an increase in spending within the Johor economy, further supported by the favourable exchange rate with Singapore.

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8.0 Review of REIT Portfolio

8.1 Paradigm Mall Petaling Jaya

8.1.1 Description

- Paradigm Mall Petaling Jaya is a retail mall comprising 6 retail levels with a lower ground floor and 2 basement car park levels along with 2 retail levels which opened in 2012 with 680,048 sq ft of NLA, providing a wide array of retail, dining, and entertainment options.
- Paradigm Mall Petaling Jaya, classified as a regional mall, is positioned towards the mid-market, catering mainly to the surrounding mature residential and office population.
- The pandemic has prompted Paradigm Mall Petaling Jaya to refine its trade and tenant mix, including Escape Park, which utilises the open spaces to attract more footfalls to the mall.
- The mall hosts a collection of mid-range local and international brands strategically selected to appeal to a broad market segment. Lotus's and Golden Screen Cinemas are the anchor tenants, whilst well-known brands include Marks & Spencer, H&M, Sephora, Uniqlo, Popular, Mr. DIY, Harvey Norman and Padini.
- Paradigm Mall Petaling Jaya is the key component of the integrated commercial development, which includes a 32-storey office tower known as The Ascent, offering an NLA of 502,837 sq ft and serviced residences, The Azure Residences, featuring 189 residential units, and Sapphire Paradigm, featuring 229 residential units, as well as Le Meridien PJ, featuring 300 hotel rooms, complementing the office and residential components.

8.1.2 Location Analysis

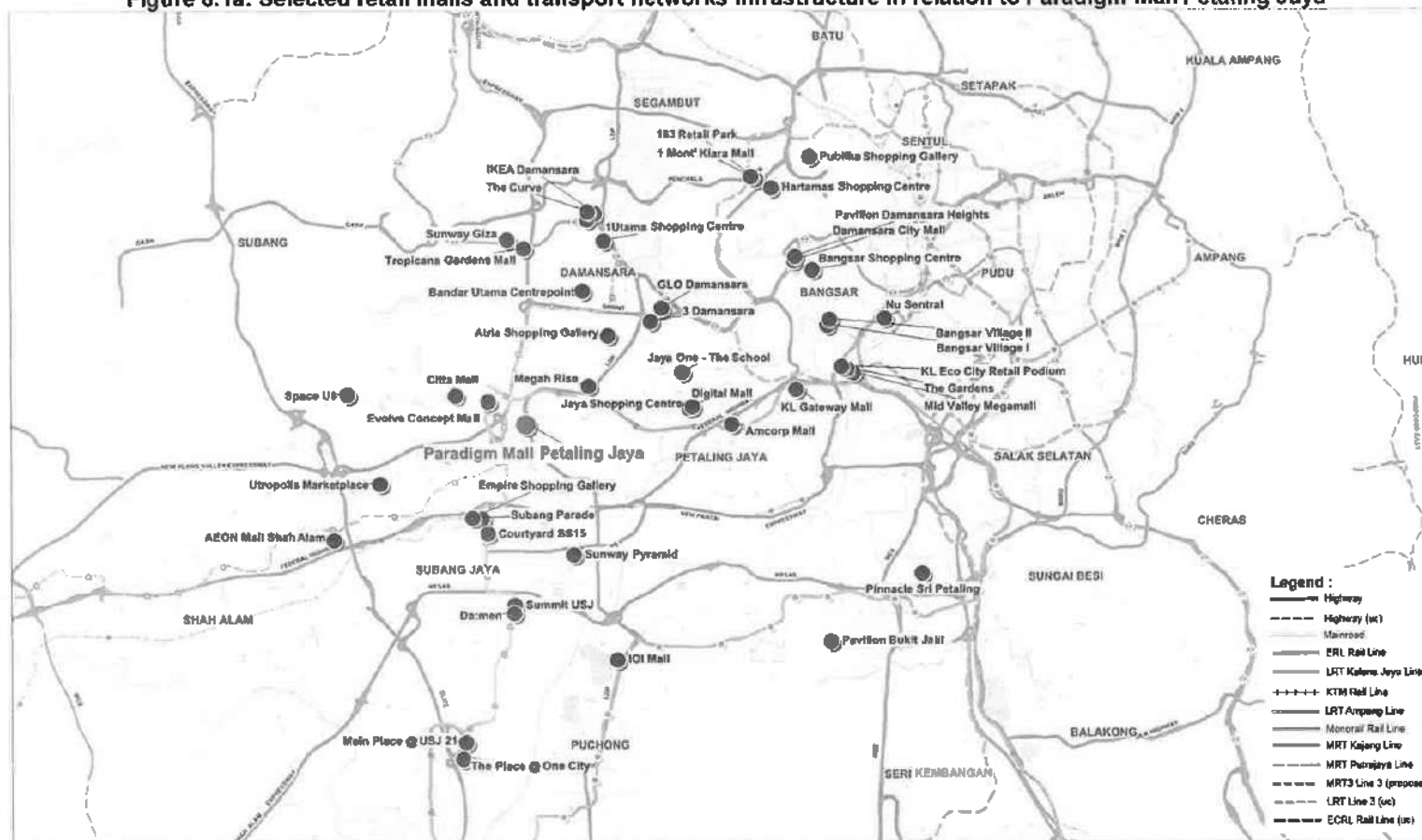
- Paradigm Mall Petaling Jaya is situated in Petaling Jaya, Selangor, a thriving business hub with vibrant economic activities. The mall benefits from good connectivity, including access to the Damansara-Puchong Highway (LDP), one of the key arterial roads in the Klang Valley region. This allows easy access to motorists from various parts of Petaling Jaya, Kuala Lumpur, and surrounding areas. The mall is also located near the Kelana Jaya LRT station. While not directly adjacent, it is within a reasonable distance, and shuttle services or public buses may facilitate last-mile connectivity for commuters. The nearest LRT station, LRT CGC-Glenmarie (KJ27), is located approximately one kilometre from the mall, within a reasonable distance and provides convenient access for commuters.
- The mall is surrounded by commercial and residential developments such as Sapphire Paradigm, Azure Residence, The Arcuz, and High Park Suites. It is near established neighbourhoods such as Kelana Jaya, Bandar Utama, and Damansara, ensuring a steady flow of footfall from nearby residents and visitors from other parts of the city. Its strategic location allows it to draw customers from a wide catchment area. Petaling Jaya is a vibrant and diverse city with a mix of demographics ranging from young professionals to families and retirees.

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Figure 8.1a: Selected retail malls and transport networks infrastructure in relation to Paradigm Mall Petaling Jaya



Source: Savills Research

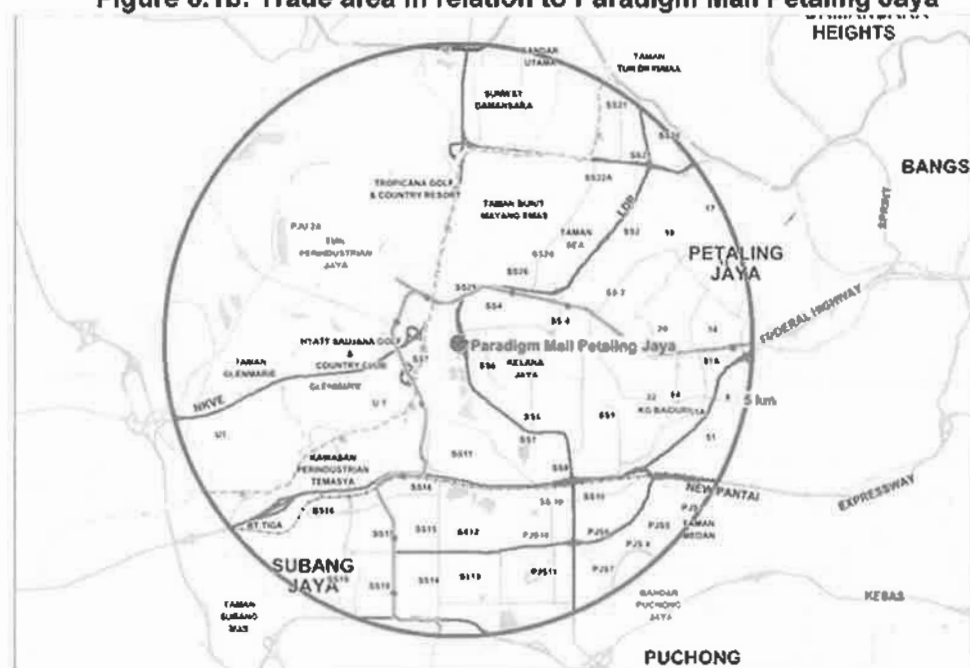
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8.1.3 Trade Area Analysis

Figure 8.1b: Trade area in relation to Paradigm Mall Petaling Jaya



Source: Savills Research

Table 8.1a: Trade Area Analysis

Primary Trade Area (estimation)	
Residential Population, 2024	634,880 persons
Average Monthly Household Income, 2024	RM14,260
Office Population, 2024	80,093 persons

Source: Savills Research

Note: *Assuming one (1) office worker in every 120 sq ft occupied office space

- The primary trade area for Paradigm Mall Petaling Jaya, as illustrated in Figure 8.1b, is defined by a 5-kilometre radius surrounding the retail mall.
- Paradigm Mall Petaling Jaya is strategically located at the road frontage along the Damansara-Puchong Highway (LDP), providing high visibility to passing traffic. Surrounded by residential areas, office buildings, and commercial establishments, the mall benefits from a continuous flow of footfall. Moreover, its location offers convenient accessibility for visitors, facilitated by seamless connectivity to major highways, including the Federal Highway and Damansara-Puchong Highway (LDP).

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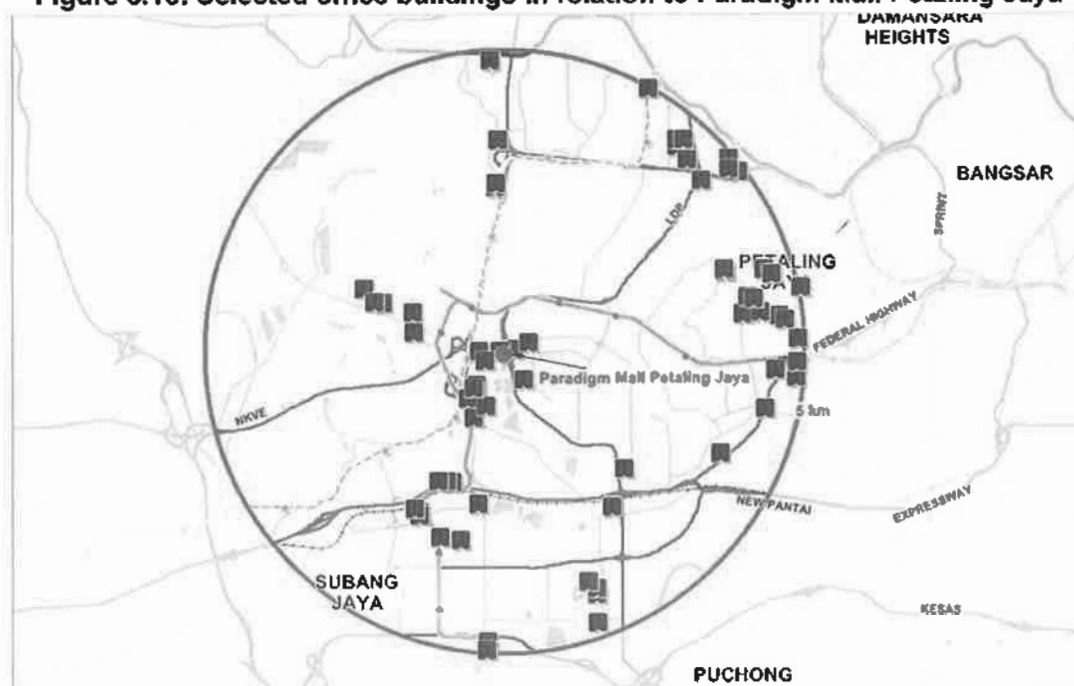
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**Residential Population**

- The primary trade area has an estimated resident population of 634,880 persons, 26.9% of the population in the District of Petaling (2,360,000 persons). Population in the main trade area will continue to increase, driven by a substantial upcoming residential development.
- The trade area has a mature residential base and stable population growth, with an estimated average monthly household income of RM14,260.

Office Population

- As of 2024, the total NLA of office buildings in the main trade area is approximately 16.8 million sq ft, with 9.6 million sq ft currently occupied. The primary trade area has an estimated office population of 80,093 persons.

Figure 8.1c: Selected office buildings in relation to Paradigm Mall Petaling Jaya

Source: Savills Research

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8.1.4 Performance Analysis

8.1.4.1 Key Tenants

- Paradigm Mall Petaling Jaya encompasses a sprawling six-level retail complex spanning 680,048 sq ft of occupied NLA. The mall's main entrances are situated on the lower ground (LG), concourse (CC), and ground floor (GF) levels. The LG level houses Lotus's, the mall's anchor tenant, a supermarket, which occupies the most significant space in Paradigm Mall Petaling Jaya (12.9%).
- The entrance on the CC level leads to the Padini Concept Store, one of the top 10 tenants occupying 2.4% of occupied NLA.
- The GF entrance leads to Marks & Spencer, a fashion tenant occupying 3.6% of occupied NLA.
- Another notable tenant is Golden Screen Cinemas (GSC), a tenant under the entertainment and amusement category, which occupies 6.1% of occupied NLA.
- Tables 8.1b below present Paradigm Mall Petaling Jaya's top 10 tenants by occupied NLA as of 31 March 2025.

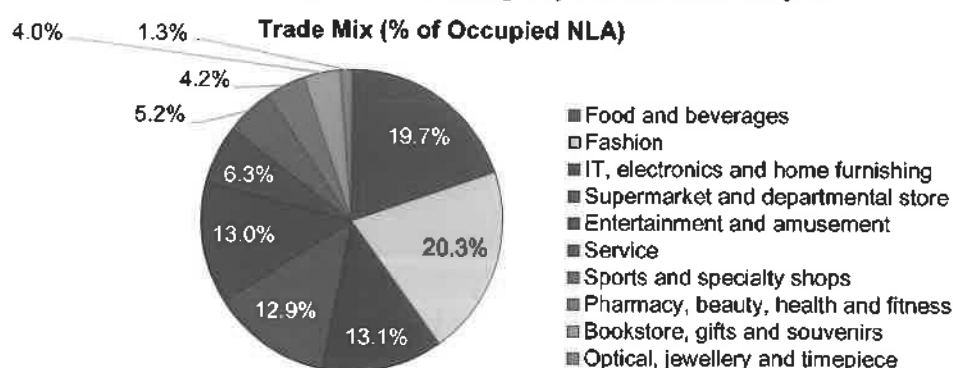
Table 8.1b: Paradigm Mall Petaling Jaya's Top 10 Tenants by Occupied NLA

Rank	Tenant	Trade Category	% Occupied NLA
1	Lotus's	Supermarket and Departmental Store	12.9%
2	Golden Screen Cinemas	Entertainment and Amusement	6.1%
3	Harvey Norman	IT, Electronics and Home Furnishing	4.9%
4	Escape Challenge	Entertainment and Amusement	4.3%
5	Marks & Spencer	Fashion	3.6%
6	H&M	Fashion	2.8%
7	Fitness First	Pharmacy, Beauty, Health and Fitness	2.6%
8	Padini Concept Store	Fashion	2.4%
9	Popular	Bookstore, Gifts and Souvenirs	2.2%
10	Brands Outlet	Fashion	2.0%
Total:			43.8%

Source: Paradigm REIT Management Sdn. Bhd.

8.1.4.2 Trade Mix

Figure 8.1d: Paradigm Mall Petaling Jaya Trade Mix Analysis



Source: Paradigm REIT Management Sdn. Bhd., Savills Research

Note: The categories of the above trade mix summarise a larger set of sub-categories and include shop and kiosk space.

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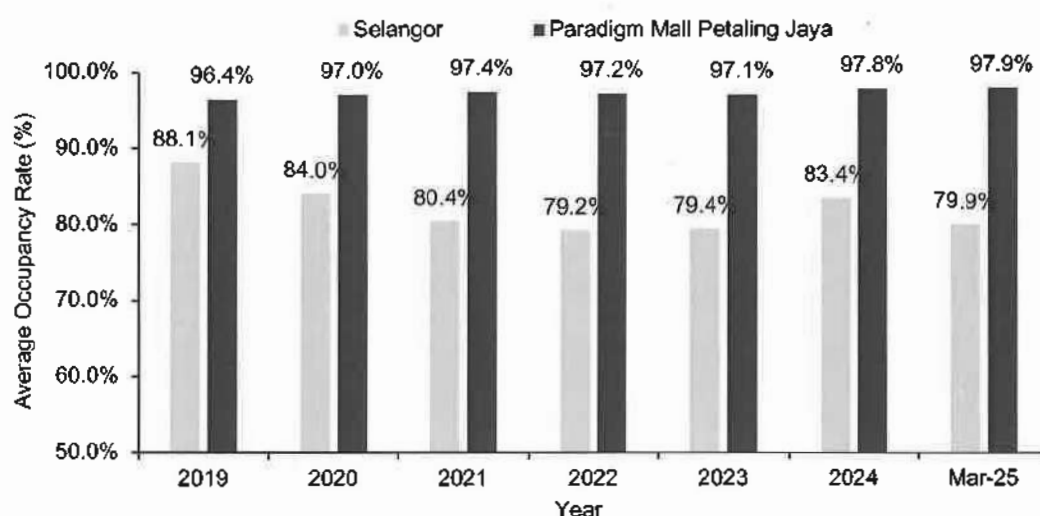
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- At Paradigm Mall Petaling Jaya, fashion is the largest trade category, occupying 20.3% of the NLA, followed closely by food and beverages at 19.7%, making both categories the most significant in the mall. Following them are IT, electronics and home furnishing at 13.1%.
- The fashion category (20.3%) includes well-known brands such as H&M, Marks & Spencer, G2000, Voir, Uniqlo, Skechers, and Padini Concept Store. It is worth noting that this category occupies the largest portion of occupied NLA, as fashion retailers often require larger spaces in malls to display their wide range of products.
- The food and beverages category (19.7%) offers a variety of eateries such as Serai, An Viet, Paradise Dynasty, Sushi Zanmai, Starbucks, The Coffee Bean & Tea Leaf, KFC, Subway, Papparoti, and Nando's Restaurant, among others.
- The IT, electronics and home furnishing category (13.1%) include tenants such as Harvey Norman, Home's Harmony, Kaison, and Mr. DIY.

8.1.4.3 Occupancy Rate

Figure 8.1e: Paradigm Mall Petaling Jaya's Average Occupancy Rate vs Selangor Malls, 2019 - March 2025



Source: Paradigm REIT Management Sdn. Bhd.

- Paradigm Mall Petaling Jaya has consistently showcased excellent performance in terms of occupancy rates despite encountering various economic challenges within the Malaysian context, especially in the densely populated Klang Valley area, where competition among malls is high, leading to numerous vacant lots.
- Commencing at a high occupancy rate of 96.4% in 2019, the mall witnessed incremental growth, reaching 97.0% in 2020. The occupancy rate continued to increase, reaching 97.4% in 2021, despite economic uncertainties and shifting consumer behaviour during the pandemic. In 2022, the occupancy rate adjusted slightly to 97.2%, followed by a small decrease to 97.1% in 2023. The occupancy rate improved to 97.8% in 2024 and 97.9% as of March 2025.
- Paradigm Mall Petaling Jaya consistently achieves higher occupancy rates than Selangor's overall average, as evidenced by its performance from 2019 to March 2025.

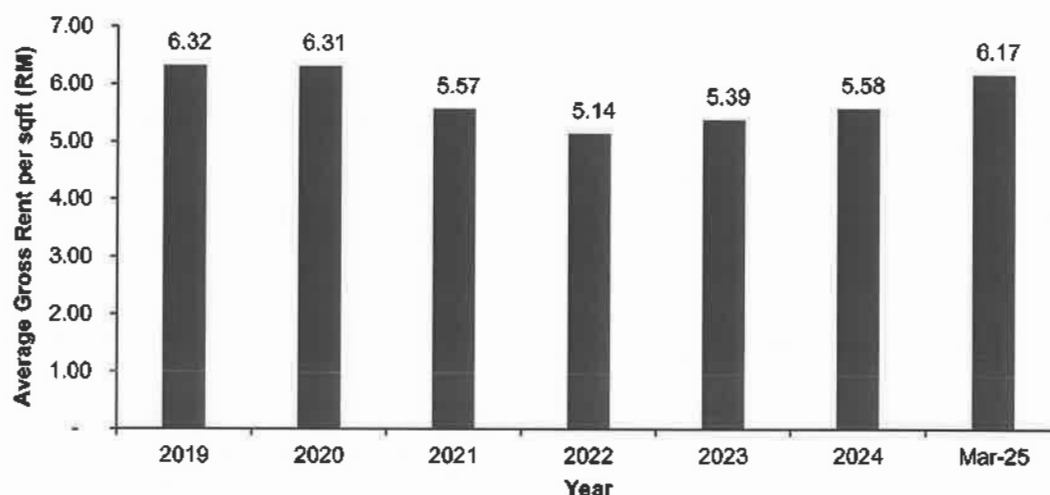
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8.1.4.4 Rents

Figure 8.1f: Paradigm Mall Petaling Jaya's Average Monthly Rental Rate, 2019 - March 2025



Source: Paradigm REIT Management Sdn. Bhd.

- The rental trend at Paradigm Mall Petaling Jaya has exhibited varying patterns in recent years. The average monthly rental rate recorded at RM6.32 and RM6.31 per sq ft in 2019 and 2020, respectively. A significant decrease was observed in 2021, with the rate dropping to RM5.57 per sq ft, primarily due to negative rental reversion on lease renewals in 2021 and 2022, impacted by COVID-19 pandemic-related economic challenges.
- Continuing into 2022, the rate further decreased to RM5.14 per sq ft, reflecting the impact of the pandemic. Nevertheless, signs of recovery emerged in 2023, as the average monthly rental rate increased to RM5.39 per sq ft and RM5.58 per sq ft in 2023 and 2024, respectively. As of March 2025, the rate has continued to increase, reaching RM6.17 per sq ft per month. Comparable retail malls in Petaling Jaya typically range from RM3.00 to RM6.50 per sq ft per month over the occupied space, placing Paradigm Mall Petaling Jaya on the higher end of the spectrum.
- The strategic location of Paradigm Mall Petaling Jaya, situated within the populous District of Petaling and along major highways, positions it favourably to attract continuous footfall, which may contribute to the anticipated growth in rental rates in the forthcoming years, as the mall showed a rental growth potential.

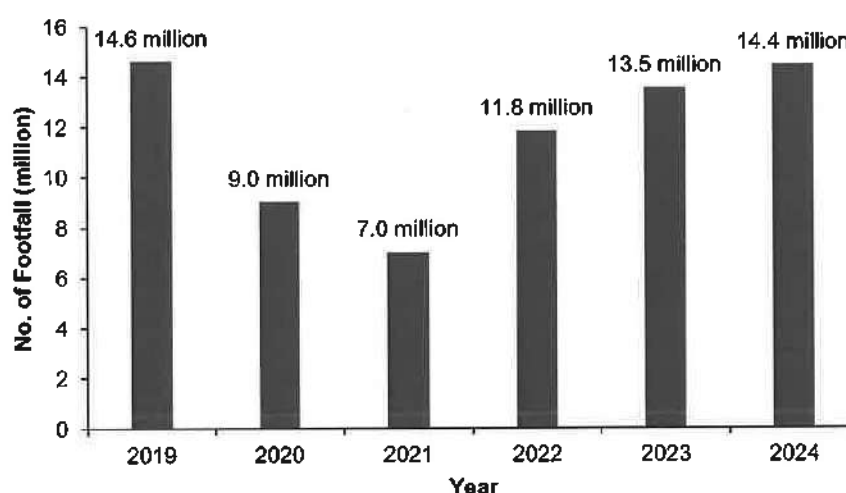
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8.1.4.5 Shopper Traffic

Figure 8.1g: Paradigm Mall Petaling Jaya's Shopper Footfall, 2019 - 2024



Source: Paradigm REIT Management Sdn. Bhd.

- Figure 8.1g illustrates an estimation of the footfall based on sensor technology. The sensor machine is placed strategically at several entrances and exits within the mall.
- The continuous increase in footfall over the past three years shows a successful strategy in tenant mix by the mall, also signalling a post-pandemic recovery.
- The footfall is projected to increase gradually, with a series of initiatives that Paradigm Mall Petaling Jaya will be doing. These initiatives, which include hosting events, establishing entertainment zones, and introducing the Escape Park, provide the mall with a competitive edge. In addition to these initiatives, Paradigm Mall Petaling Jaya remains proactive in catering to evolving consumer preferences and market dynamics. Through a thorough market study of industry trends and consumer behaviours, the mall fine-tunes its strategy to maintain relevance. These efforts reflect the mall's dedication to elevating the shopping experience and broadening its appeal to a broader audience.

8.1.5 SWOT Analysis

Strengths

- High visibility and easy accessibility:** Paradigm Mall Petaling Jaya enjoys high visibility along the Damansara-Puchong Highway (LDP). Its convenient location along LDP and seamless connectivity to other major roads and highways, such as the Federal Highway and New Klang Valley Expressway (NKVE), ensures easy access for visitors from various parts of the Klang Valley and beyond.
- Well-established surrounding developments:** Paradigm Mall Petaling Jaya is surrounded by residential areas, office buildings, and commercial establishments. The mall benefits from a consistent flow of footfall, indicative of its mature neighbourhood, with a residential population of 634,880 persons and an office population of 80,093 persons within a 5km radius. Within a 3km radius of Paradigm Mall, five prominent Government-Linked Companies (GLCs) in Kelana Jaya are situated, including Pejabat Pos Kelana Jaya (1.5km), Telekom Malaysia Kelana Jaya (2km), Proton 3S Kelana Jaya (2.1km), Kompleks Tabung Haji

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Kelana Jaya (2.8km), and Malaysia Airlines Academy (1.6km). These offices might also contribute to the weekday crowd of the mall.

- **Quality tenant mix and competitive rental:** Paradigm Mall Petaling Jaya offers a diverse tenant mix that caters to a broad spectrum of consumer preferences, from fashion and entertainment to health and home furnishings. The mall's competitive rental rates are key factors in attracting and retaining this diverse mix of quality tenants. This strategy has resulted in impressive occupancy rates, demonstrating the mall's resilience and appeal to retailers and shoppers.
- **Digital interaction and loyalty programme:** Paradigm Mall Petaling Jaya leverages digital technology with its WCT Buddy mobile app, enhancing the shopping experience through a digital membership system. The app allows customers to track rewards, receive personalised recommendations, and enjoy cashless transactions. The WCT Buddy loyalty program further strengthens customer retention by offering exclusive privileges, redeemable Buddy points, WCT Voucher Bonanza Sale, and special promotions, fostering a strong connection between the mall and its shoppers.

Weaknesses

- **Traffic congestion:** The LDP is one of the major highways in the Klang Valley. Like many highways in urban areas, it may experience traffic congestion. Particularly during peak hours, the highway can become heavily congested.
- **Dependent on vehicular traffic:** Footfall is heavily correlated to the availability of car park bays – footfall growth may be restricted in the future if the number of car park bays does not increase, given Paradigm Mall Petaling Jaya is not directly connected to any MRT or LRT network. This implies that future growth in footfall could be constrained if there is no corresponding increase in the number of car park bays.

Opportunities

- **High population:** Located in Malaysia's most populated district, the District of Petaling, Paradigm Mall Petaling Jaya enjoys access to a large and diverse consumer base. This dense population provides a steady stream of footfall to the mall.
- **Improving transportation infrastructure:** Glenmarie station will soon become an interchange station upon completing the LRT3 line, currently under construction and expected to open in 2025. Glenmarie is the nearest LRT station to Paradigm Mall, approximately 11 minutes away by foot. Once operational, this line will offer a convenient public transportation option for visitors to Paradigm Mall. The completion of the LRT3 line may attract a broader customer base, such as residents from Shah Alam, leading to higher footfall at the mall.
- **Increase in footfall:** Paradigm Mall Petaling Jaya has a significant opportunity to capitalise on the consistent increase in footfall observed from 2021 to 2024. This upward trend indicates a successful tenant mix strategy implemented by the mall and signals a recovery in the post-pandemic era. The increase in visitors presents an opportunity for the mall to enhance its offerings and services further. By aligning with consumer preferences and trends, the mall can attract a more extensive customer base, increasing its revenue.

Threats

- **Saturation of malls along LDP:** The LDP is home to several malls, with The Starling Mall (6.2km) and 3 Damansara (6.7km) situated in proximity to Paradigm Mall Petaling Jaya, competing for foot traffic and consumer spending within a similar catchment area.
- **New mall completions:** Elmina Lakeside Mall, 168 Park Mall, and Sunsuria Forum @ 7th Avenue are located more than 20 km away from Paradigm Mall Petaling Jaya. Therefore, the opening of these malls will not pose a threat to Paradigm Mall Petaling Jaya, as it is a regional mall that attracts a population within a 20 km radius.

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8.1.6 Comparative Analysis

Table 8.1c: Comparative Analysis of Paradigm Mall Petaling Jaya's Competitors

Description	The Starling	Atria Shopping Gallery	3 Damansara
Distance from Paradigm Mall Petaling Jaya (km)	6.2	5.6	6.7
Net Lettable Area (sq ft)	450,000	470,000	450,000
Location	Damansara Uptown, Petaling Jaya	Damansara Jaya, Petaling Jaya	Damansara intan, Petaling Jaya
Est. Occupancy Rate (2024)	94%	77%	70%
Date of Completion	2016	2015	2008
No. of Floors (exclude basement)	5	8	4
Levels of Retail	7	8	4
No. of Car Park Bays	3,300	1,700	1,759
Classification of mall	Neighbourhood	Neighbourhood	Neighbourhood
Ownership	Damansara Uptown Retail Sdn Bhd (See Hoy Chan)	OSK Property Holdings Bhd	CapitaLand Malaysia Trust (formerly known as CapitaLand Malaysia Mall Trust)
Positioning	Mid to mass level	Mid to mass level	Mid to mass level
Target Market	Families, teenagers and office workers	Families, teenagers and office workers	Families, teenagers and office workers
Anchor / Notable Tenant(s)	Key Anchors: Jaya Grocer, SSF and Golden Screen Cinemas (GSC).	Key Anchors: Village Grocer and MBO Cinemas. Key Tenants: Jungle Gym, ACE Hardware and Mr DIY.	Key Anchor: NSK Grocer. Key Tenants: TBM and Mr DIY.
Remarks	<ul style="list-style-type: none"> The Starling is a community-centric mall attracting working adults, young individuals, and families. Its tenant mix comprises anchor tenants such as Jaya Grocer, GSC, and Co-labs Coworking. The majority of the tenants are from the F&B sector (40%), whilst the second highest consists of pharmacy, beauty, health, and fitness, accounting for about 16% of the tenant mix. There is less emphasis on fashion tenants (12%). It offers direct underground parking from the LDP and easy access to nearby shops, offices, and Somerset Damansara Uptown. 	<ul style="list-style-type: none"> The mall is known for hosting regular warehouse clearance sales for various items such as home furniture, clothing, beauty products, and IT gadgets. Numerous eateries within the mall suggest a wide range of dining options. However, it has been observed that there are fewer non-F&B tenants, potentially indicating a lesser variety of activities available when visiting the mall. 	<ul style="list-style-type: none"> The mall has been observed to experience low occupancy rates, which have impacted overall footfall. The closure of Golden Screen Cinemas (GSC) on 18 March 2024 has created a significant vacancy, leaving the mall without a cinema operator tenant. At the time being, the mall's footfall is primarily supported by NSK Grocer and Kafe Ruuma.

Source: Savills Research

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- Out of the 37.5 million sq ft of retail space in Selangor, 20.0% of the retail space falls within the regional malls category, with Paradigm Mall Petaling Jaya representing 1.8% of total retail space.
- Integrated developments have evolved significantly over the years, transforming how malls and other components are designed and utilised. Today's integrated developments often encompass retail malls, residential towers, office buildings, hotels, and even healthcare facilities, all within a cohesive complex. This shift reflects a growing demand for convenience and connectivity, as residents and workers prefer to have essential services and amenities within walking distance.
- Paradigm Mall Petaling Jaya is part of an integrated commercial development comprising an office tower (The Ascent), serviced apartments (The Azure) and a hotel (Le Meridien PJ). This integrated approach will drive footfall from various sources and provide convenience. The synergy between different development components strengthens Paradigm Mall's position as a central hub in Petaling Jaya, offering a holistic and integrated experience for residents, workers, travellers, and shoppers.
- The Starling Mall, located within a mature residential neighbourhood, benefits from the offices and shop offices within the parameters. During the day, The Starling Mall attracts a substantial crowd of office workers from the vicinity, whilst in the evening and at night, the shopper demographic shifts primarily to families and local residents. This change in the customer base reflects the residential nature of the surrounding neighbourhood.
- Tenants from the food and beverages category form the highest percentage in The Starling Mall at approximately 40.0%, followed by the pharmacy, beauty, health and fitness category at 16.0%. Similarly to Paradigm Mall Petaling Jaya, while fashion is the largest trade category at 20.3% of the occupied NLA, food and beverages remain a major component, accounting for 19.7%.
- Located within a mature residential area, Atria Shopping Gallery shares attributes similar to those of The Starling Mall and Paradigm Mall Petaling Jaya in terms of serving the residential population within the vicinity. Atria Shopping Gallery also has the food and beverages trade as the highest share at 30.0%, followed by the pharmacy, beauty, health and fitness trade at 20.0%. The mall also has retail space accommodating warehouse clearance events for home products, furniture, gadget fairs, and clothing.
- Consumer preferences and the very definition of shopping have transformed significantly since the pandemic, especially within the retail scene in GKL. The traditional shopping experience has evolved, with a greater emphasis on safety, convenience, and immersion. Customers now seek shopping environments that offer more than just retail transactions—consumers look for engaging experiences, entertainment, and a sense of community.
- A decade ago, the idea of having theme parks, rock climbing walls or children's playgrounds within shopping malls would have been a rarity. However, the shopping experience has been redefined by incorporating such tenant offerings to make malls more than just shopping destinations. Paradigm Mall Petaling Jaya has embraced this trend by featuring attractions like Escape Park, enriching the mall experience with leisure and entertainment options alongside its diverse retail offerings.

8.1.7 Future Outlook of the Mall

- Paradigm Mall Petaling Jaya is part of an integrated commercial development comprising office and hotel components. It is strategically located within a mature residential neighbourhood in Kelana Jaya.
- Despite not being directly connected to public transport, Paradigm Mall Petaling Jaya offers ample parking and convenient access points, making it easily accessible for residents and visitors.
- The mall offers a diverse range of tenant mixes and a variety of conveniences and services tailored to residents. Tenants are carefully curated to provide convenience and foster a community-focused environment, distinguishing it from larger malls.

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- Despite the increasing competition in Selangor's retail market, Paradigm Mall Petaling Jaya's unique value proposition and its focus on the community—such as event hosting, entertainment zones, and Escape Park—provide a competitive edge. The mall continuously monitors market trends and consumer behaviour to adapt its strategy, ensuring it remains relevant and attractive to a broader demographic.

8.2 Bukit Tinggi Shopping Centre

8.2.1 Description

- Bukit Tinggi Shopping Centre opened in 2007 and spans a GLA of 1,000,950 sq ft. AEON, the sole tenant of the retail space of Bukit Tinggi Shopping Centre, anchors the mall and subleases it to other tenants.
- Bukit Tinggi Shopping Centre is positioned as a neighbourhood mall that caters to the residents of Klang by offering them a comprehensive array of retail, dining, and entertainment experiences. The mall is considered the leading shopping destination in Klang, with no replication of its catchment area in the surrounding vicinity.
- The presence of AEON as the key tenant goes beyond its offerings; AEON leases out its retail spaces to various reputable tenants. This provides Bukit Tinggi Shopping Centre with a diverse range of shops and services for visitors to enjoy, including well-known brands such as Braun Buffel, TGV Cinemas, Cotton On, Guess, Starbucks Coffee, Adidas, Uniqlo, Watsons, Puma, Samsung, The Body Shop, and McDonald's, among others.
- Bukit Tinggi Shopping Centre will gain a strategic advantage with the ongoing construction of the LRT3 right in front of it. This development will provide seamless accessibility for commuters, allowing them to walk directly from the LRT station into the mall. Once operational, it will enhance the overall shopping experience by offering a convenient and efficient public transportation option. Moreover, it is expected to attract a broader customer base, extending beyond Klang to include residents from neighbouring areas like Shah Alam.

8.2.2 Location Analysis

- Bukit Tinggi Shopping Centre is located within the Bandar Bukit Tinggi Township along Jalan Langat, Klang, Selangor. Bandar Bukit Tinggi is a mature township with a wide range of facilities and amenities; mainly, it catered for residents in the Klang district and surrounding area, which makes Bandar Bukit Tinggi a popular destination for commercial, residential and leisure hub in Klang. Bandar Bukit Tinggi houses a mixed development of houses, industrial buildings, shop offices, and apartments. Adjacent to Bandar Bukit Tinggi, other townships include Botanic Klang, Glenmarie Cove, Bandar Puteri Klang and Bandar Bestari.
- Bukit Tinggi Shopping Centre is surrounded by two hypermarkets, Lotus's Klang and Giant Hypermarket, and shop offices, including Bandar Botanic and Bandar Bukit Tinggi. Next to Bukit Tinggi Shopping Centre is an integrated development comprising a retail office block named The Landmark. Next to The Landmark is the Imperia Residences, comprising two high-rise blocks of service apartments and retail shops. The Canvas Hotel is a boutique hotel near The Landmark and Imperia Residences. All these developments are directly connected to the Bukit Tinggi Shopping Centre via a skybridge. This allows pedestrians easy access to the mall, especially during peak hours.
- It is strategically accessible via the KESAS Highway and Federal Highway. The upcoming LRT3 will be directly connected to Bukit Tinggi Shopping Centre via Bandar Bukit Tinggi Station. The LRT3 construction project spanning from Bandar Utama to Johan Setia in Klang is set to commence on September 30, 2025.

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Figure 8.2a: Selected retail malls and infrastructure map in relation to Bukit Tinggi Shopping Centre



Source: Savills Research

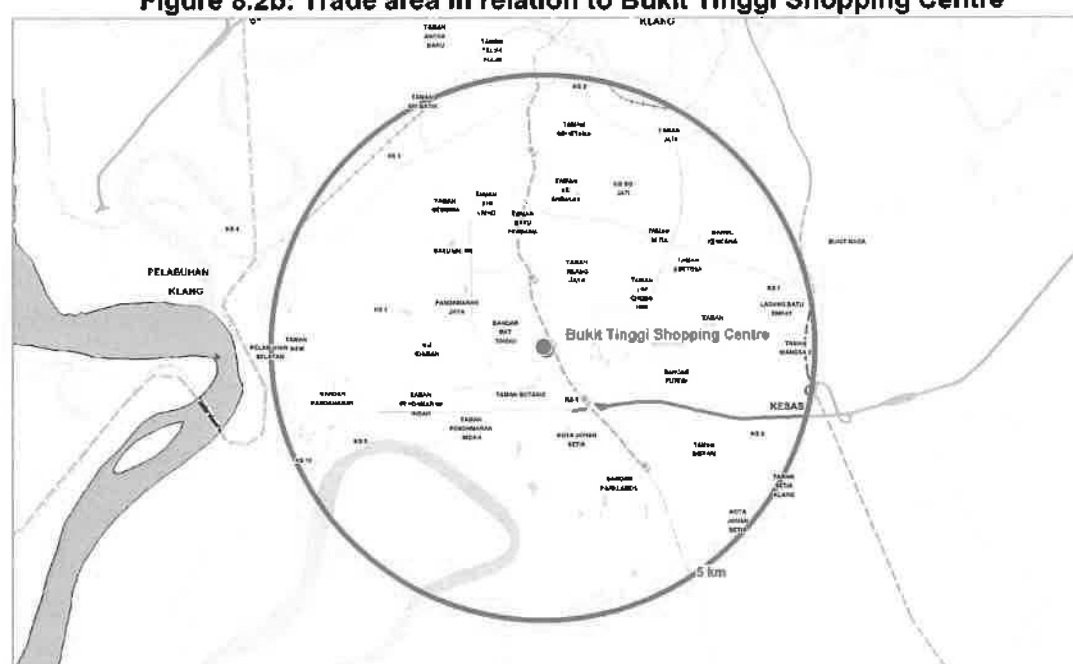
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8.2.3 Trade Area Analysis

Figure 8.2b: Trade area in relation to Bukit Tinggi Shopping Centre



Source: Savills Research

Table 8.2a: Trade Area Analysis

Primary Trade Area (estimation)	
Residential Population, 2024	456,354 persons
Average Monthly Household Income, 2024	RM9,860

Source: Savills Research

- The primary trade area for Bukit Tinggi Shopping Centre, as illustrated in Figure 8.2b, is defined by a 5-kilometre radius surrounding the retail mall.
- Bukit Tinggi Shopping Centre is situated within the Bandar Bukit Tinggi township in Klang, Selangor, Malaysia, complemented by The Landmark corporate office suites, Imperia Residences service apartments, and The Canvas Hotel.
- The primary trade area has an estimated resident population of 456,354 persons, 38.8% of the population in the District of Klang (1,174,900 persons). Population in the main trade area will continue to increase, driven by a substantial upcoming residential development.
- The trade area is within a mature residential development area such as Bandar Bukit Tinggi, Taman Botanic, Taman Klang Jaya and Bandar Puteri, which are mostly landed house developments.
- The trade area extends towards the west and eastern sides of Klang, which are industrialised areas. Industrialisation supports a high concentration of SMEs, providing employment opportunities that boost disposable incomes and, in turn, encourage spending. The trade area has a mature residential base and stable population growth, with an estimated average monthly household income of RM9,860.

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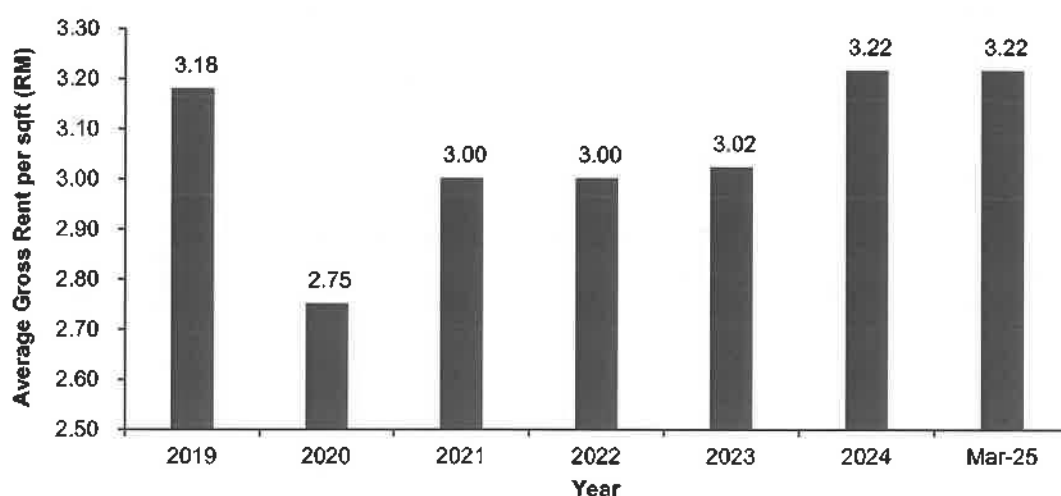
8.2.4 Performance Analysis

8.2.4.1 Key Tenants

- Bukit Tinggi Shopping Centre is master leased to AEON, occupying a GLA of approximately 1,000,950 sq ft of the shopping centre.
- AEON's role extends beyond being a mere tenant—it also subleases its retail space to a diverse range of other tenants, thereby shaping the shopping centre's landscape.
- The tenants subleased by AEON include Braun Buffel, Cotton On, Guess, Starbucks Coffee, Adidas, Uniqlo, Watsons, Puma, Samsung, and The Body Shop, among others. This mix of tenants, brought in by AEON, contributes to the vibrant retail environment of the Bukit Tinggi Shopping Centre.
- Apart from that, Bukit Tinggi Shopping Centre's income is mainly from carpark revenues and rentals from open spaces and organising events.

8.2.4.2 Rents

Figure 8.2c: Bukit Tinggi Shopping Centre's Average Monthly Rental Rate, 2019 - March 2025



Source: Paradigm REIT Management Sdn. Bhd.

- It was reported that the elevated average gross rent observed in 2019 was attributed to the compensation of rent differential between the final agreed rate in 2019 and the provisional rate applied in 2017 and 2018, during which both parties were still negotiating the rental revision. The reported slight decrease in 2020 rental income was primarily a result of adjustment on over provision of rate applied in prior years.
- The average gross rent increased from RM3.00 in 2022 to RM3.02 in 2023, and further to RM3.22 in 2024 and March 2025. This increase was primarily driven by the renewal of the lease agreement with AEON, which introduced higher rental rates starting in November 2023.

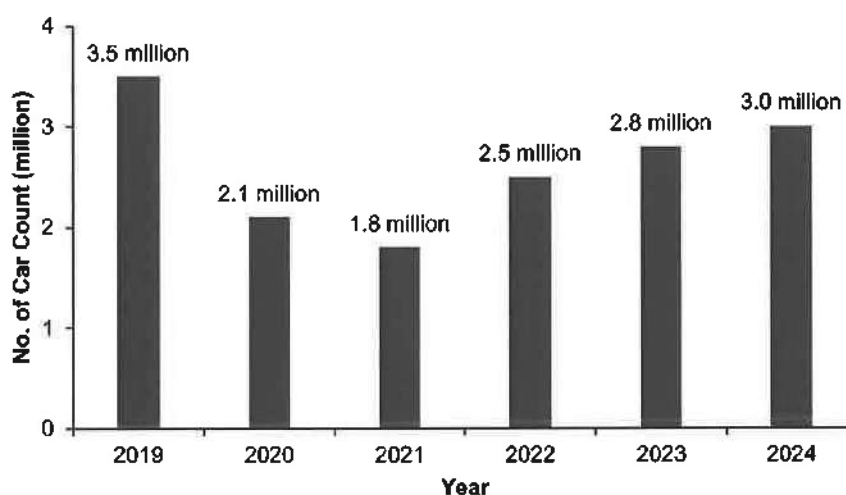
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8.2.4.3 Shopper Traffic

Figure 8.2d: Bukit Tinggi Shopping Centre's Car Count, 2019 - 2024



Source: Paradigm REIT Management Sdn. Bhd.

- The car count at Bukit Tinggi Shopping Centre has increased since 2022, showing a strong post-pandemic recovery of the mall. It also reflects a well-received tenant mix at Bukit Tinggi Shopping Centre, as footfall has remained consistent from 2022 to 2024.
- With the management's initiative to organise more outdoor market events and the upcoming completion of LRT3 (on September 30, 2025), footfall is expected to increase in the coming years.

8.2.5 SWOT Analysis

Strengths

- **High visibility and easy accessibility:** The mall is located at road frontage, making it accessible and visible to passing traffic. This visibility can attract potential customers and increase mall recognition, drawing in shoppers who may not have initially planned to visit the mall but are drawn by its prominent presence.
- **Well-established surrounding developments:** Bukit Tinggi Shopping Centre benefits from its prime positioning near a well-established residential area featuring gated and guarded communities. Located within a 5km radius of a residential population of 456,354 persons, it ensures a readily available customer base, drawing in residents for their shopping needs.
- **High GLA-Based Rental Income:** The rental income is based on GLA (Gross Lettable Area), rented to AEON, which includes the common area instead of just NLA. This approach will lead to higher rental income revenue than NLA-based rentals.

Weaknesses

- **Limited control over tenant mix:** AEON is the single tenant for the retail space of Bukit Tinggi Shopping Centre. With AEON subleasing to other tenants, the landlord has limited control over the tenant mix.
- **Potential revenue loss:** By leasing the entire retail space to a single tenant, the landlord might significantly miss out on potential higher rental income if the demand for retail space increases. While AEON's presence

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brings stability to Bukit Tinggi Shopping Centre, the reliance on a single tenant poses significant weaknesses that may hinder the landlord's ability to maximise income.

Opportunities

- **Stable household income:** According to the latest census released by DOSM, the average household income in Klang district was RM10,278 per month in 2022, ranking 8th out of 160 districts in Malaysia for the highest household income. This affluent environment, showing the significant spending power among the people of Klang, positions Bukit Tinggi Shopping Centre well.
- **Monopoly within the catchment area:** The absence of direct competitors ensures that Bukit Tinggi Shopping Centre enjoys a monopoly within its catchment area in Klang. The mall has exclusive access to a large pool of potential customers without competing heavily with nearby malls.
- **Improving transportation infrastructure:** Further accessibility enhancements are anticipated through direct connections to the LRT3, which is expected to be completed on September 30, 2025. Once this line becomes operational, it will offer a convenient public transportation option for Bukit Tinggi Shopping Centre visitors. The completion of the LRT3 line may attract a broader customer base to the mall, including people from Shah Alam, thereby contributing to increased footfall.

Threats

- **Competitive market:** It is noticeable that there is a saturation of major malls located in other regions of GKL which eventually dilutes the concentration of footfall in Bukit Tinggi Shopping Centre. This potentially poses a risk of reduced market share in the catchment area.

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8.2.6 Comparative Analysis

Table 8.2b: Comparative Analysis of Bukit Tinggi Shopping Centre's Competitors

Description	KSL Esplanade Mall	AEON Mall Bukit Raja	Klang Parade	Central i-City	Setia City Mall
Distance from Bukit Tinggi Shopping Centre (km)	7.0	11.1	9.5	11.9	17.0
Net Lettable Area (sq ft)	650,000	360,065	665,563	940,000	1,180,000
Location	Klang	Bandar Baru Klang	Jln Meru, Klang	Shah Alam	Shah Alam
Est. Occupancy Rate (2024)	75%	62%	71%	82%	95%
Date of Completion	2023	1995	1995 & refurbished in 2013	2019	2012
No. of Floors (excl basement)	4	2	5	6	4
Levels of Retail	4	2	6	6	4
No. of Car Park Bays	3,000	2,100	1,800	3,000	4,000
Classification of mall	Regional	Neighbourhood	Regional	Regional	Megamall
Ownership	KSL Holdings Bhd	AEON Co. (M) Bhd	ARA REIT	Central Pattana PCL (CPN) and i-Berhad	SP Setia JV Asian Retail Investment Fund (ARIF managed by Lend Lease)
Positioning	Mid to mass level	Mid to mass level	Mid to mass level	Mid to mass level	Mid to mass level
Target Market	Families and teenagers.	Families and teenagers.	Families and teenagers.	Families and teenagers.	Families and teenagers.
Anchor/ Notable Tenant(s)	Key Anchors: Star Grocer, Energ X Park, Xctive Kidz, XRoller and Next Gen. Key Tenants: One Living, Mr. DIY and ToyWorld.	Key Anchors: AEON, TGV Cinemas Key Tenants: Mr. DIY, Samsung and DAISO.	Key Anchors: Econsave, Parkson, Peninsula College. Key Tenants: Celebrity Fitness, SSF, Machines, Mr. DIY and Maxis.	Key Anchors: SOGO, TGV Cinemas and Village Grocer Key Tenants: Machines, Cotton On, Charles & Keith, Uniqlo, Swarovski, Mr. DIY and TBM.	Key Anchors: AEON, Parkson and Urbanfresh, Golden Screen Cinemas (GSC) and Wangsa Bowl. Key Tenants: Cotton On, Zara, Uniqlo, Mr. and DIY.

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Remarks	<ul style="list-style-type: none"> • KSL Esplanade Mall is positioned to serve the middle-income market, catering specifically to families and teenagers. • The mall features a mix of tenants that appeal to this demographic, offering affordable fashion, entertainment, and dining options. 	<ul style="list-style-type: none"> • AEON Mall Bukit Raja serves mainly the local community and its surrounding neighbourhood. • It was observed that most tenants are F&B tenants, with fewer other trade category options. 	<ul style="list-style-type: none"> • Refurbished in 2013, Klang Parade is anchored by Parkson departmental store and Econsave grocery store. • Following the closure of the Golden Screen Cinemas (GSC) at Klang Parade on 1st April 2024, there has been no announcement of a new cinema operator taking its place, which may result in a less attractive tenant mix. 	<ul style="list-style-type: none"> • Being part of the integrated development, the mall features a variety of tenant mixes, ranging from local fashion brands to renowned international brands. • High footfall has been observed within the mall. • The mall primarily targets the Malay market, with a focus on halal dining options and modest wear and Muslim fashion tenants. It also caters to students, particularly from nearby institutions such as UiTM Shah Alam and Unisel. 	<ul style="list-style-type: none"> • Setia City Mall became the largest mall in Shah Alam with its opening of Phase 2 in 2021. • Setia City Mall primarily targets the Malay market, with a strong focus on halal eateries and shops specializing in modest wear and Muslim fashion. With approximately 74.5% of the Shah Alam population identifying as Bumiputera (primarily Malay), as reported by the Department of Statistics Malaysia, the mall strategically aligns its offerings to cater to this key demographic.
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Source: Savills Research

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- Out of the 37.5 million sq ft of retail space in Selangor, Bukit Tinggi Shopping Centre contributes approximately 1.0 million sq ft, representing 2.7% of the total retail space.
- Within the retail landscape of Klang, Bukit Tinggi Shopping Centre is strategically positioned to serve as the central hub for residents in the area. With a GLA exceeding 1.0 million sq ft, it plays a crucial role in meeting the diverse shopping needs of the local community.
- Bukit Tinggi Shopping Centre benefits from its prime location near a well-established residential area; this strategic positioning ensures a steady flow of footfall.
- In comparison to other areas in the Klang Valley, like Kuala Lumpur and Petaling Jaya, the retail landscape in Klang exhibits a distinct characteristic.
- Malls in Klang are more spread out, offering a unique advantage to Bukit Tinggi Shopping Centre. While competitors such as KSL Esplanade Mall, AEON Bukit Raja, Klang Parade, Central i-City, and Setia City Mall exist, their distances from Bukit Tinggi Shopping Centre range from 18 to 38-minute drive-time. This presents Bukit Tinggi Shopping Centre with a competitive edge, as it serves as a convenient retail destination for residents in Klang.

8.2.7 Future Outlook of the Mall

- Bukit Tinggi Shopping Centre is strategically situated within the Bandar Bukit Tinggi neighbourhood and is master leased to AEON Corporate.
- Anchored by the AEON departmental store and AEON supermarket, the mall is a prominent retail destination in Klang. It attracts significant footfall due to its diverse tenant mix. AEON's initiative to revamp its in-house brand will enhance the brand's appeal and attract a broader customer base.
- Bukit Tinggi Shopping Centre has proactively organised various events to drive footfall. Notably, plans to utilise parking space for outdoor events such as food bazaars/ carnivals and the introduction of a Go-Kart track is a commendable initiative aimed at drawing more footfall and generating additional income.
- The anticipated completion of the LRT3 on September 30, 2025 is expected to enhance accessibility and increase footfall to the mall. Future enhancements in public transport infrastructure will likely play a crucial role in the mall's continued success and growth.

8.3 Paradigm Mall Johor Bahru

8.3.1 Description

- Paradigm Mall Johor Bahru is one of the megamalls in the region, featuring 6 retail levels with a mezzanine floor and a level of cinema and convention centre. Opened in 2017, this mall offers a total of 1,292,956 sq ft of NLA, making it a significant retail and entertainment destination in Johor Bahru.
- Located towards the western side of Johor Bahru, the mall enjoys a catchment area with a mature residential population from its surroundings and also tourists from Singapore. The mall is home to over 350 retail tenants anchored by Parkson (department store), HomePro, Golden Screen Cinemas and Harvey Norman.
- Brands found in Paradigm Mall Johor Bahru are mostly mid-range and cater to the entire Johor Bahru. Popular brands that can be found include Village Grocer, Switch, Toys 'R' Us, Smiggle, Padini, H&M, Levi's, Uniqlo, Brands Outlet, Adidas Performance, Al-Ikhsan, HLA, Cotton On and Lovisa. The mall also houses home furnishing stores such as HomePro, SSF, Star Living, Ruma, Grand Sen Q, Harvey Norman and Kaison.
- The trade mix of Paradigm Mall Johor Bahru is diverse, offering fashion, IT, electronics and home furnishing, entertainment and amusement, supermarket and departmental store, and F&B. The mall's ability to offer different interests and needs contributes to its success in drawing local and Singaporean shoppers.
- The mall is part of a mixed development, consisting of Paradigm Residence, a 24-storey Serviced Apartment with 263 units and a 17-storey hotel – Hyatt Place with 200 rooms.

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**8.3.2 Location Analysis**

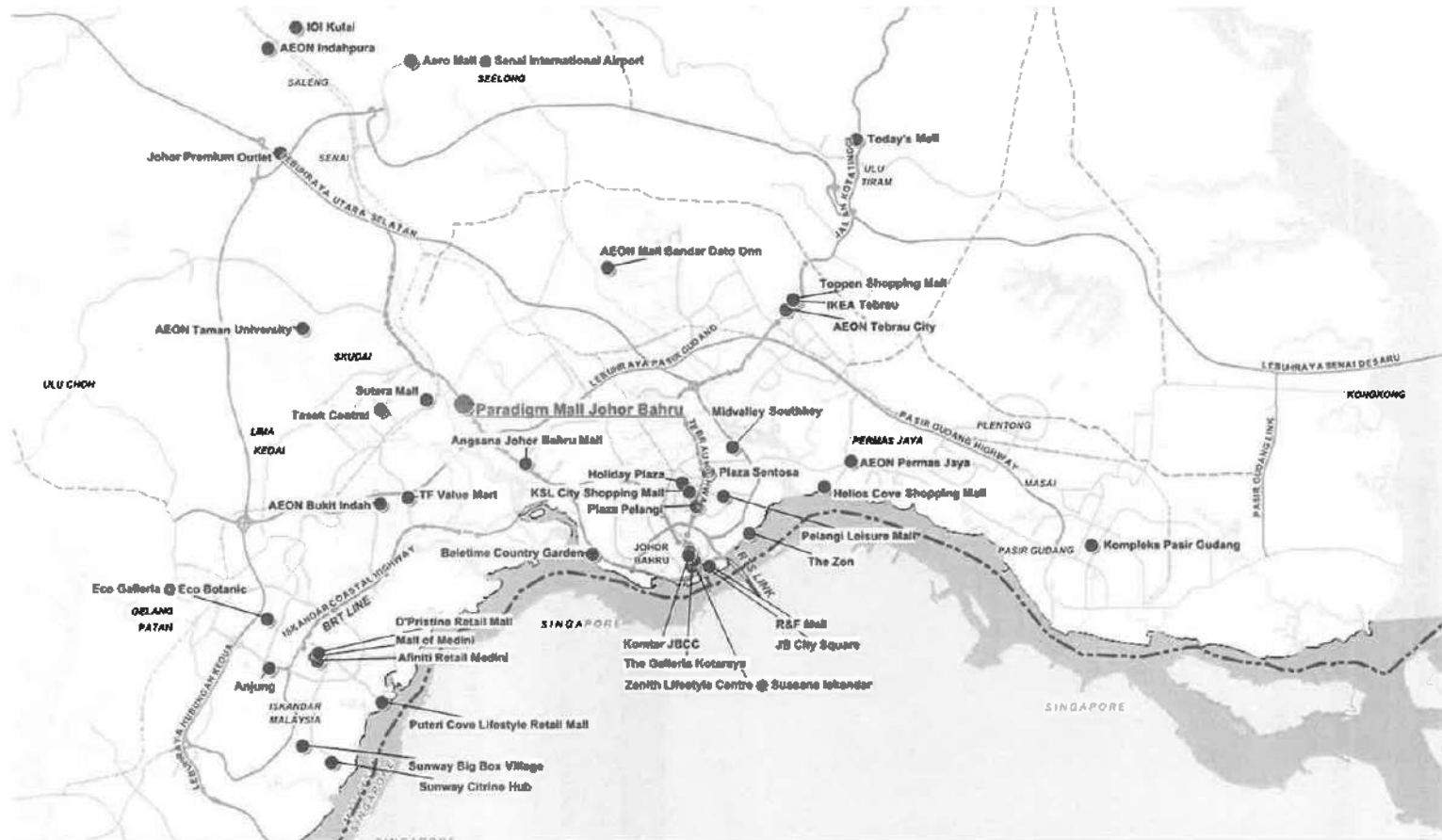
- Paradigm Mall Johor Bahru is located in the lively centre of Skudai, Johor Bahru. The mall is situated within a 15-minute drive from Customs, Immigration and Quarantine (CIQ) Complex and a 10-minute drive from Johor Bahru City Centre with direct access to major highways such as Skudai Highway, Pasir Gudang Highway, North-South Highway and Second Link Expressway. It is located outside of the northwestern border of Johor Bahru. The adjacent towns include Kulai, Iskandar Puteri, Pekan Nanas and the Johor Bahru suburbs. Skudai areas are mainly dotted with residential, industrial, and commercial buildings and educational institutions such as the University of Technology Malaysia and Southern University College. Besides Paradigm Mall Johor Bahru, several retail centres are nearby, including KIP Mall Tampoi, Perling Mall and Giant Tampoi. Several neighbourhood areas within the surrounding area include Taman Bukit Indah, Taman Tampoi Indah, Taman Dahlia, and Taman Tampoi Utama.
- Attached to the Paradigm Mall Johor Bahru is Hyatt Place Hotel; it is the first Hyatt Place hotel in Johor Bahru, featuring 200 units of guestroom, a café, a swimming pool, a fitness centre and a meeting space.
- In terms of public transportation, Paradigm Mall Johor Bahru can be accessed from several bus networks that connect towns to major cities, such as Larkin, Ayer Hitam, Kulai, Gelang Patah, Danga Bay, Senai Airport, Taman Universiti and JB Sentral, which will be directly connected to the upcoming RTS Link, stretching four kilometres from Bukit Chagar Station checkpoint to Woodlands North Station. The project has achieved another milestone and is scheduled for completion by the end of 2026.

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Figure 8.3a: Selected retail malls and infrastructure map in relation to Paradigm Mall Johor Bahru



Source: Savills Research

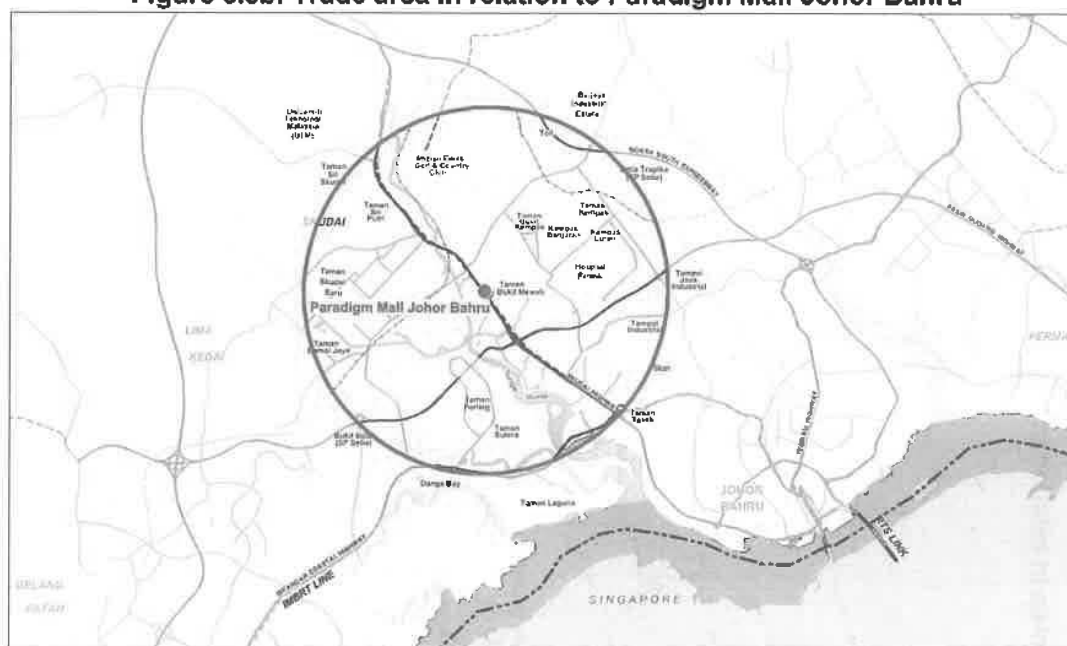
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8.3.3 Trade Area Analysis

Figure 8.3b: Trade area in relation to Paradigm Mall Johor Bahru



Source: Savills Research

Table 8.3a: Trade Area Analysis

Primary Trade Area (estimation)	
Residential Population, 2024	308,831 persons
Average Monthly Household Income, 2024	RM9,400

Source: Savills Research

- The primary trade area for Paradigm Mall Johor Bahru, as illustrated in Figure 8.3b, is defined by a 5-kilometre radius surrounding the retail mall.
- Paradigm Mall Johor Bahru enjoys prime accessibility, located 12.5km from Johor Bahru City Centre, with direct access to major highways such as Skudai Highway, Pasir Gudang Highway, North-South Highway, and Second Link Expressway. Paradigm Mall Johor Bahru is strategically located along the Skudai Highway within the Iskandar Malaysia region. The mall features multiple access points and is conveniently situated within proximity to key destinations, such as Legoland (15.0km), Iskandar Puteri (16.2km), Singapore Woodlands Checkpoint (15.4km), Tuas Checkpoint (30.0km), and Senai International Airport (20.4km).
- The main trade area has an estimated population of 308,831 people, 17.2% of the population in the District of Johor Bahru (1,800,000 persons), as of 2023. Population in the main trade area will continue increasing as several township developments are ongoing.
- The trade area has a mature residential base and stable population growth, with an estimated average monthly household income of RM9,400.

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8.3.4 Performance Analysis

8.3.4.1 Key Tenants

- The top 10 largest tenants by occupied NLA in Paradigm Mall Johor Bahru take up an aggregate of 37.1% of occupied NLA in the mall, whereby the majority of the spaces are taken up by supermarket and departmental store and IT, electronics and home furnishing categories.
- Table 8.3b below presents Paradigm Mall Johor Bahru's top 10 tenants by NLA as of 31 March 2025.
- Paradigm Mall Johor Bahru, with an NLA of 1,292,956 sq ft spread across seven retail levels, boasts a robust tenant mix. The mall features about 3,370 car park bays distributed over five levels, including one basement and four upper decks. The mall is home to the largest Parkson in Johor Bahru, occupying approximately 150,000 sq ft. It also hosts the first outlets in Johor for several brands, including Golden Screen Cinemas, Harvey Norman, Camp5, HomePro, Village Grocer, Blue Frost Ice Rink, Mythos & Showroom, Max, and Smiggle.
- The top 10 tenants, by total occupied NLA, account for 37.1% of the mall's occupied NLA. Parkson, a department store, occupies the largest NLA at 11.5%, HomePro at 5.1%, and Golden Screen Cinemas at 4.8%.

Table 8.3b: Paradigm Mall Johor Bahru's Top 10 Tenants by Occupied NLA

Rank	Tenant	Trade Category	% Occupied NLA
1	Parkson	Supermarket and Departmental Store	11.5%
2	HomePro	IT, Electronics and Home Furnishing	5.1%
3	Golden Screen Cinemas	Entertainment and Amusement	4.8%
4	Harvey Norman	IT, Electronics and Home Furnishing	3.5%
5	Village Grocer	Supermarket and Departmental Store	2.7%
6	Grand Sen Q	IT, Electronics and Home Furnishing	2.2%
7	Ruma	IT, Electronics and Home Furnishing	2.1%
8	Food Arcade	Food and Beverages	1.9%
9	Blue Frost Ice Rink	Entertainment and Amusement	1.8%
10	Mythos & Showroom	Fashion	1.5%
Total:			37.1%

Source: Paradigm REIT Management Sdn. Bhd.

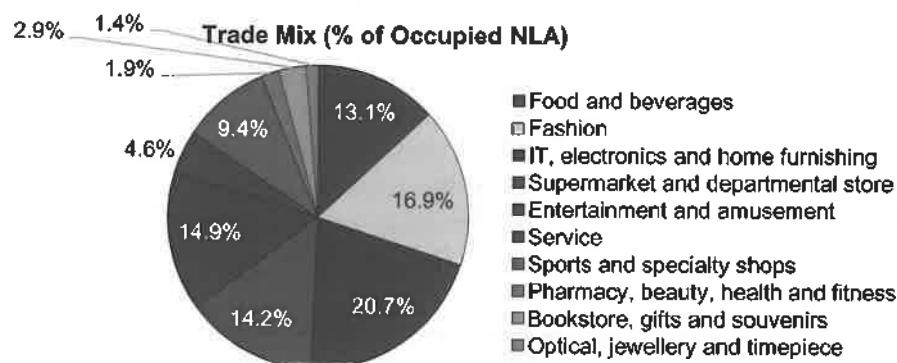
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8.3.4.2 Trade Mix

Figure 8.3c: Paradigm Mall Johor Bahru Trade Mix Analysis



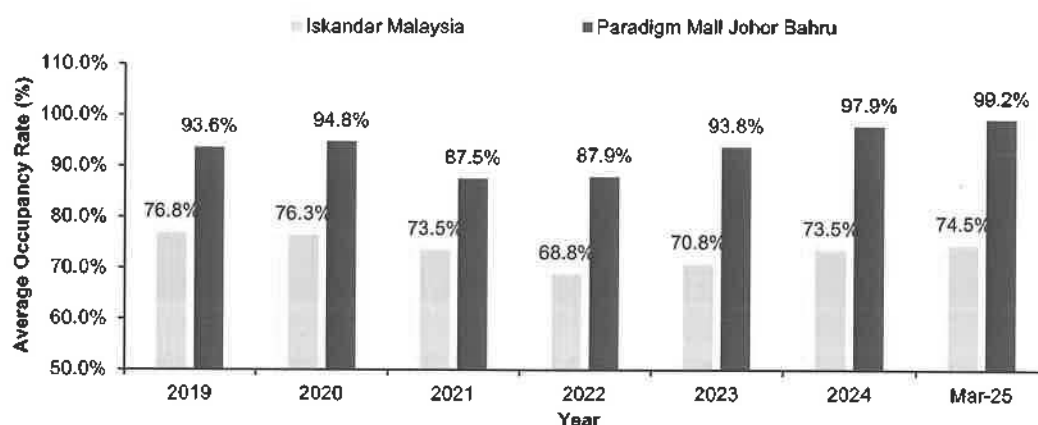
Source: Paradigm REIT Management Sdn. Bhd., Savills Research

Note: The categories of the above trade mix summarise a larger set of sub-categories and include shop and kiosk space.

- Paradigm Mall Johor Bahru offers a diverse trade mix, with the top three trade categories being: the first, occupying the largest space of occupied NLA, is IT, electronics and home furnishing (20.7%); the second is fashion (16.9%) and the third is entertainment and amusement (14.9%).
- IT, electronics and home furnishing category, contributing to 20.7% of occupied NLA, houses tenants such as SSF, Home's Harmony, Ruma, Mr. DIY, Harvey Norman, and HomePro, among others.
- The fashion category is also a significant part of the mall's trade mix, with well-known brands such as H&M, Levi's, Uniqlo, and Padini Concept Store occupying 16.9% of occupied NLA.
- Entertainment and amusement, which occupies 14.9% of occupied NLA, consists of tenants such as Blue Frost Ice Rink, Kidzooona & Molly Fantasy, VR+ Zone, Utopia - Jungle World, and Sing Cube, among others.

8.3.4.3 Occupancy Rate

Figure 8.3d: Paradigm Mall Johor Bahru's Occupancy Rate, 2019 - March 2025



Source: Paradigm REIT Management Sdn. Bhd.

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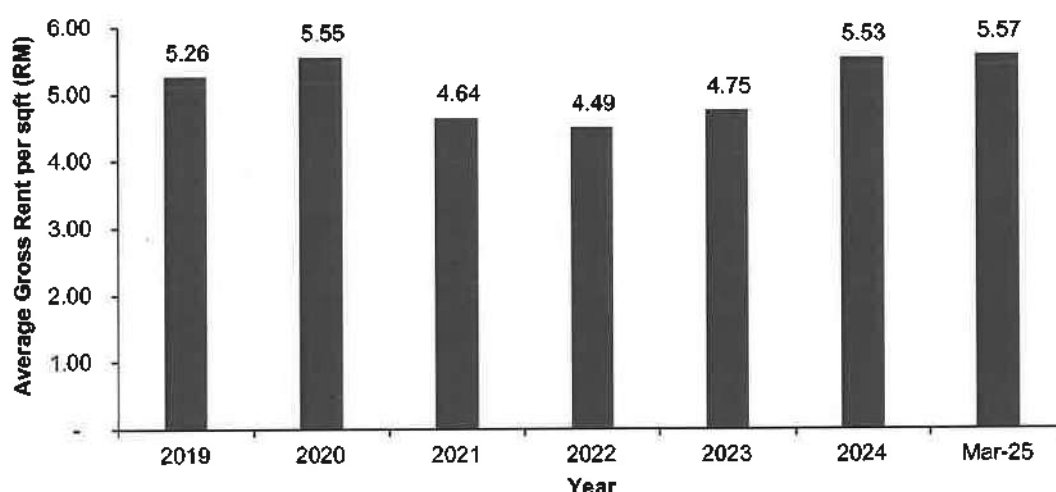


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- Paradigm Mall Johor Bahru is one of the few malls that have maintained an occupancy rate above 90.0% over the years, without considering when the pandemic hit.
- Despite that, occupancy rates picked up rather quickly, demonstrating resilient performance in the mall.
- The slight decline in occupancy rate to 87.5% in 2021 is attributed to the Movement Control Orders (MCO), which led to several lockdowns and has adversely affected the retail business. During this period, tenants might have opted not to renew leases or withdraw amidst risky circumstances.
- To date, the average occupancy rate in Paradigm Mall Johor Bahru has rebounded to 97.9% in 2024 and 99.2% as of March 2025, similarly on par with Mid Valley Southkey and AEON Tebrau, despite the malls' large size of more than one million sq ft of NLA.
- The average occupancy rates are projected to continue increasing in the following years, reflecting positive trends in retail demand and a diverse tenant mix.

8.3.4.4 Rents

Figure 8.3e: Paradigm Mall Johor Bahru's Average Monthly Rental Rate, 2019 - March 2025



Source: Paradigm REIT Management Sdn. Bhd.

- In 2023 and 2024, the average monthly gross rent at Paradigm Mall Johor Bahru was reported at RM4.75 per sq ft and RM5.53 per sq ft, respectively, indicating a steady recovery from a decline in 2021 and 2022 when rent fell to RM4.64 and RM4.49 per sq ft from RM5.55 per sq ft in 2020, primarily due to negative rental reversion for the lease renewed in 2021 and 2022 and non-renewal of lease, impacted by COVID-19 pandemic-related economic challenges. As of March 2025, the average monthly rent has further increased to RM5.57 per sq ft, reflecting continued recovery and outperforming the average gross rent recorded in 2019 and 2020 at RM5.26 and RM5.55, respectively.
- While the mall accommodates a diverse range of tenants, some larger tenants benefit from lower rental rates per sq ft due to the substantial spaces they lease, which affects the overall average rental rate.
- Paradigm Mall Johor Bahru is among the top-performing malls in Johor Bahru and stands to benefit from the economic recovery, which could further enhance its overall rental rates.

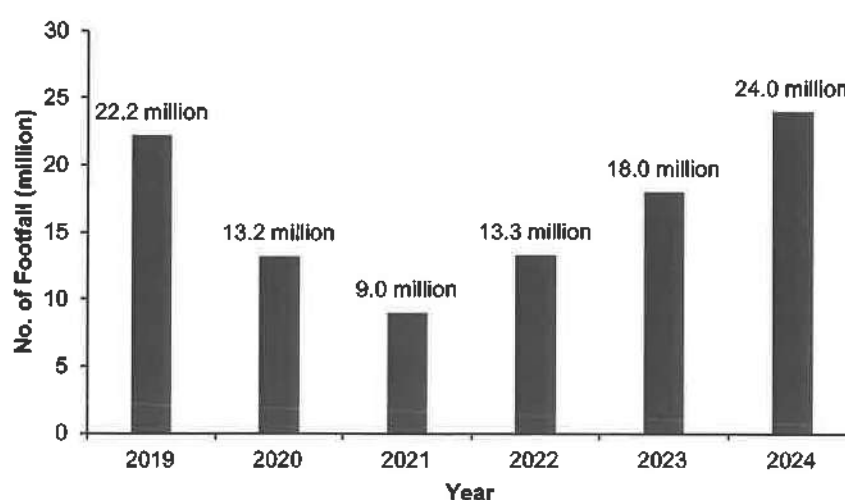
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8.3.4.5 Shopper Traffic

Figure 8.3f: Paradigm Mall Johor Bahru's Shopper Footfall, 2019 - 2024



Source: Paradigm REIT Management Sdn. Bhd.

- Figure 8.3f provides an estimation of footfall based on sensor technology. The sensor machine is placed strategically at several escalator points throughout the mall.
- The increase in footfall was due to the strategic addition of new tenants, which diversify the mall's offerings and increase its destination appeal.
- Shopper footfall is expected to remain high, considering the return of shoppers, especially from Singapore and several initiatives, such as introducing Escape Park into the air space common area and collaborating with tenants and Hyatt Hotel to increase footfall and sales.

8.3.5 SWOT Analysis

Strengths

- **Strategic location with high visibility:** Paradigm Mall Johor Bahru is strategically situated along the Skudai Highway within the Iskandar Malaysia Region, offering multiple access points. Its proximity to Senai Airport and the Causeway, which links Johor Bahru and Singapore, attracts substantial domestic and international travellers.
- **Convenient parking facilities:** Paradigm Mall Johor Bahru boasts 3,370 covered car park bays and EV charging stations. This abundant parking may reduce the hassle of finding a spot and enhance the shopping experience, leading to increased footfall and higher customer retention.
- **Expansive catchment area:** Paradigm Mall Johor Bahru benefits from an expansive catchment area, drawing substantial footfall from the surrounding residential neighbourhoods such as Skudai, Setia Tropika, Taman Perling, Mutiara Rini, and Bandar Baru Uda. Its main trade area, defined by a 5km radius, includes a residential population of 308,831 persons. This nearby population helps ensure a steady flow of foot traffic.
- **Diverse tenant mix:** Paradigm Mall Johor Bahru accommodates a wide array of tenants, including renowned brands like Village Grocer, Uniqlo, Cotton On, Padini, and H&M. The mall is also the first outlets in Johor for

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several brands, including GSC, Harvey Norman, Camp5, HomePro, Blue Frost Ice Rink, Mythos & Showroom, Max, and Smiggle. It also hosts the largest Parkson in Johor Bahru, spanning 150,000 sq ft.

- **Digital interaction and loyalty programme:** Paradigm Mall Johor Bahru enhances the shopping experience with its WCT Buddy mobile app, providing digital membership system. The app allows customers to track rewards, receive personalised recommendations, and enjoy cashless transactions. The WCT Buddy loyalty program further strengthens customer retention by offering exclusive privileges, redeemable Buddy points, and the WCT Voucher Bonanza Sale, where customers can purchase WCT cash vouchers at discounted rates directly through the app, enhancing savings. These initiatives foster a strong connection between the mall and its shoppers, further enhancing the overall shopping experience.

Weaknesses

- **Limited public transport connectivity:** Paradigm Mall Johor Bahru faces challenges due to the absence of a comprehensive public transportation network in Johor Bahru, such as rail transit systems. Unlike malls in more urbanised areas with access to LRT or MRT systems, Paradigm Mall Johor Bahru relies heavily on private vehicles for access.
- **Mall maintenance and enhancement:** Paradigm Mall Johor Bahru may need thorough upkeep and maintenance, such as exterior and interior painting and façade renovation, to enhance the mall's appeal and the shoppers' experience.

Opportunities

- **Improving transportation infrastructure:** The Johor Bahru retail market landscape is set for exciting growth with the upcoming Johor Bahru-Singapore RTS Link and the elevated Automated Rapid Transit (ART) system. The RTS Link is projected to transport approximately 10,000 passengers per hour in each direction, stimulating the economy in Johor Bahru. Meanwhile, the proposed ART system, spanning over 50 kilometres with 32 stations, will further enhance connectivity and accessibility in Johor Bahru.
- **High inflation in Singapore:** As the cost of living rises, consumers may seek alternative shopping destinations with lower prices. Johor Bahru's proximity to Singapore allows the mall to benefit from currency exchange advantages. With a favourable exchange rate for Singaporean visitors, Paradigm Mall Johor Bahru can attract more shoppers from across the border seeking value for their money.

Threats

- **Competition from other malls:** Johor Bahru features several prominent malls, including AEON Mall Bukit Indah, Sutera Mall, and Mid Valley Southkey, among others. These competing malls intensify competition for footfall and consumer spending. Visitors may opt for alternative shopping destinations that offer unique attractions or experiences, diverting footfall away from Paradigm Mall Johor Bahru and impacting its overall performance. Besides, the recent opening of The Commune Lifestyle Mall (150,000 sq ft NLA) in Q3/2024, along with the upcoming Horizon Mall (150,000 sq ft NLA), expected completion in 2025; SKS City Mall JBCC (280,000 sq ft NLA), a revamp of Pacific Mall, expected to be completed in 2025 as well as the upcoming Coronation Square could potentially dilute the retail market share in Johor Bahru.

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8.3.6 Comparative Analysis

Table 8.3d: Comparative Analysis of Paradigm Mall Johor Bahru's Competitors

Description	Sutera Mall	Toppen Shopping Centre	Mid Valley Southkey	KSL City Mall	AEON Tebrau City
Distance from Paradigm Mall Johor Bahru (km)	6.0	15.5	15.1	11.7	14.5
Net Lettable Area (sq ft)	700,000	1,100,000	1,500,000	600,000	1,347,000
Location	Taman Sutera Utama	Tebrau	Tebrau	Taman Abad	Jalan Tebrau
Est. Occupancy Rate (2024)	83%	69%	90%	63%	95%
Date of Completion	2008 / 2014 (extension)	Q4/2019	Q2/2019	2010	Q1/2006 & New wing in Q3/2016
No. of Floors (excl basement)	3	4	5	4	3
Levels of Retail	3	5	6	4	3
No. of Car Park Bays	N/A	1,600	5,585	2,800	N/A
Classification of mall	Regional	Megamall	Megamall	Regional	Megamall
Ownership	Tanah Sutera Development Sdn Bhd	Ikano Centres	IGB Berhad	KSL Holdings Bhd	AEON Co.
Positioning	Middle-income level	Middle-income level	Upper-middle to upper-income level	Middle-income level	Middle-income level
Target Market	Young adults, teenagers and tourists.	Families and teenagers.	Affluent families and tourists.	Young adults, teenagers and tourists.	Families and teenagers.
Anchor/ Notable Tenant(s)	Key Anchor: AEON BiG Key Tenants: Mr. DIY, SenQ, KFC, Burger King and Machines	Key Anchors: IKEA Tebrau, TGV Cinemas, Harvey Norman, Sports Direct.com and Nitori	Key Anchor: SOGO Reputable Tenants: Dior, Coach, Chanel and Yves Saint Laurent	Key Anchors: Lotus's, Golden Screen Cinemas (GSC)	Key Anchors: AEON, TGV Cinema Key Tenant: Rocky Basecamp, Charles & Keith, Converse.

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				Key Tenants: F.O.S, Sports Direct.com, Machines, Converse and Mr. DIY	Cotton On, Estee Lauder, F.O.S, M.A.C and Sephora.
Remarks	<ul style="list-style-type: none"> • It received the Editor's Choice Award 2019 for being an exemplary retail mall and won Silver in the 10 years and above retail category at EdgeProp Malaysia's Best Managed Property Awards 2019. • It hosts Johor Bahru's first full-fledged mall library, My Library, with 60,000 books. • It features the Kuru Kuru Shop, a venue for donating and redistributing usable items. • It was observed that there is a GoCart in the parking area. • It was observed that the mall predominantly hosts local brand tenants. 	<ul style="list-style-type: none"> • It was observed that it is particularly appealing to families, as evidenced by its extensive selection in the edutainment or play areas for kids. • Attractions include The Parenthood, Malaysia's largest family park, as well as Hey Preschool Kidz, The Little Gym Malaysia, Olymkids, The Pet Safari, Skatepark, Stars Archery, and Game on Theme Park, all contributing to its family-friendly ambience. 	<ul style="list-style-type: none"> • It hosts many luxury or premium brands. • It was observed that the mall attracts a significant number of Singaporean tourists. • It was noticed that the selection of tenants aligns with the preferences of Singaporean visitors, indicating a tailored approach to cater to their needs. 	<ul style="list-style-type: none"> • It has a diverse range of local beauty services tenants. • There is a food street featuring numerous local food stalls offering a variety of local cuisine options. • It was observed that shoppers at the mall are likely to include tourists, especially with the convenient location of KSL Hotel & Resort above it. 	<ul style="list-style-type: none"> • High footfall is observed within the mall, indicating its popularity and attractiveness among shoppers. • A significant presence of youngsters among the crowd visiting the mall was observed. • The presence of renowned fashion and beauty brands like Sephora within the mall's tenant mix was observed.

Source: Savills Research

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- Out of the 17.8 million sq ft of retail space in Iskandar Malaysia, Paradigm Mall Johor Bahru contributes about 1.3 million sq ft, representing 7.3% of total retail space.
- Situated towards the western side of Johor Bahru, Paradigm Mall Johor Bahru serves a different demographic and catchment compared to other large malls like Toppen Shopping Centre, AEON Tebrau, and Mid Valley Southkey, which are all located towards the eastern side of the city. The overlap of catchment is minimal, considering the different locations of the malls. The mall also houses the Paradigm Mall Convention Centre (PMCC), which significantly boosts foot traffic, particularly during the day.
- The NLA of Mid Valley Southkey of approximately 1.5 million sq ft includes the presence of more international high-end brands, focusing more on high-end retailers, which positions the mall as a destination for luxury shopping.
- Despite both Mid Valley Southkey and Paradigm Mall Johor Bahru having more than 1 million sq ft of NLA, each mall has unique characteristics that distinguish them from one another. While Paradigm Mall Johor Bahru offers a diverse tenant mix that includes a range of services, F&B options, and a variety of retail stores, Mid Valley Southkey leans more heavily towards being a dedicated shopping destination, emphasising high-end brands and a more focused retail experience.
- Toppen Shopping Centre differentiates itself with its high focus on lifestyle and recreational activities offered by Funmax, The Little Gym, KF Kiddy Circuit, Olymkids, The Parenthood, and Cobay, among others, representing approximately 16% of its tenant mix, catering towards families with kids demographic. The mall's layout and offerings encourage visitors to shop and engage in various activities. This is achieved through multiple amenities, including sports facilities (badminton and basketball courts), theme parks and kid's playgrounds and a rooftop garden for events.
- AEON Tebrau, while sharing the same catchment area as Toppen Shopping Centre, seems to have a more diverse tenant mix, similar to Paradigm Mall Johor Bahru, but with a lesser number of retailers.
- Even though Paradigm Mall Johor Bahru is located near Sutera Mall, the two shopping centres do not directly compete because both malls offer distinct retail experiences with minimal overlap in merchandise and brands. Sutera Mall has a product mix that tends to appeal more to Chinese shoppers, with a focus on Asian retailers and local brands.
- Over the years, Johor's retail landscape has undergone a significant transformation, marked by a growing number of retailers expanding into the region and malls adapting to current retail trends such as cashless payments and experiential retail.
- This evolution is driven by the dynamic needs of consumers and a more competitive market, leading to a shift toward experiential retail that offers more than just shopping.

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**8.3.7 Future Outlook of the Mall**

- Paradigm Mall Johor Bahru has attracted local and international shoppers, mainly from Singapore, thanks to its diverse tenant mix. However, several proposed large shopping malls in Johor Bahru will add to the retail landscape by 2028, intensifying competition. These include the proposed malls in Coronation Square and the W City Larkinton Johor Bahru developments.
- To remain competitive, the existing malls in Johor Bahru, including Paradigm Mall Johor Bahru, will need to continue to embrace experiential retail. This involves offering entertainment zones, sports facilities, and interactive activities to enhance shopper engagement and encourage extended visits. As experiential retail gains traction, malls are expected to evolve into multi-purpose destinations that cater to a diverse demographic.
- The strength of Paradigm Mall Johor Bahru lies in its focus on providing a diverse tenant mix with a variety of options for each trade category, such as F&B, edutainment or play areas for kids, event hall, an ice-skating rink, a wide range of fashion retailers, and sports-related activities. This variety enhances its appeal and customer experience.
- While Paradigm Mall Johor Bahru faces the challenge of sustaining its appeal and retaining its shopper base, the absence of new megamalls opening in the near future presents an opportunity for Paradigm Mall Johor Bahru to modernise and enhance its offering to meet changing shopper expectations.

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