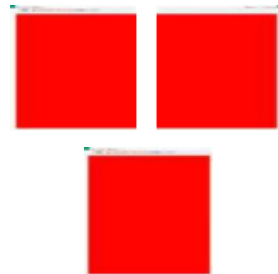




# Klang Valley office market ends 2024 strong

Sentiment	Positive	Frequency	Daily
Outlet Country	Malaysia	Outlet Language	English
Impressions	42,886	Circulation	21,443
PR Value	12,866	Page	8, 9, 10

## Page Location



## Klang Valley office market ends 2024 strong

BY RACHEL CHEW  
city.country@bizedge.com

The Klang Valley office market sustained its steady momentum in 4Q2024, underpinned by robust leasing activities and the absence of new office completions, according to Knight Frank Malaysia executive director of research and consultancy Amy Wong.

The Edge Malaysia | Knight Frank Kuala Lumpur and Selangor office monitor 4Q2024 puts the existing supply in KL City, the KL Fringe and Selangor at 60.09 million sq ft, 31.7 million sq ft and 26.46 million sq ft respectively, bringing the total supply to 118.25 million sq ft.

During the period, there were 0.94 million sq ft of office space under construction in KL City, 1.28 million sq ft in the KL Fringe and 2.17 million sq ft in Selangor, bringing the total space under construction to 4.39 million sq ft. The offices are slated for completion in 2025 and 2026.

"With no new office completions in 4Q2024, the market has stabilised, enabling vacancies to be absorbed. Looking ahead, we anticipate the delivery of around 2.33 million sq ft of new office space in 2025, with major devel-



Some 1.28 million sq ft of office space were under construction in the KL Fringe in 4Q2024

opments such as TNB Gold Bangsar and Sunway Square Corporate Towers set to be standout additions to the office landscape," Wong tells City & Country in an email interview.

The ongoing TNB Gold Bangsar is located opposite Tenaga Nasional Bhd's (KL:TENAGA) current headquarters and KL Eco City, between Jalan Pantai Baru and the Federal Highway in Kuala Lumpur. The two-tower, 44-storey office development is GBI

Gold-compliant and is slated for completion this year.

Sunway Square Corporate Towers is located in Sunway City Kuala Lumpur. It comprises two office towers of 23 and 21 storeys, as well as five storeys of retail units and a 12-storey university block. The towers have a total net lettable area (NLA) of 537,904 sq ft and the average floor plate of an office is 23,100 sq ft.

Meanwhile, the Tun Razak Exchange (TRX) has continued to

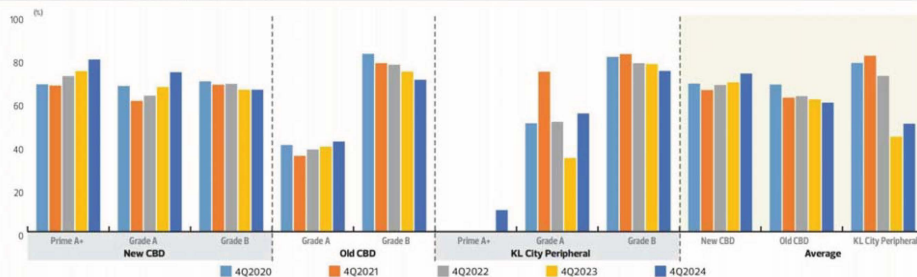
gain traction in the office market since it was completed in 2023, contributing to active leasing and relocation activities during the quarter in review.

"TRX is gaining traction, attracting active leasing inquiries and solidifying its position as a premier financial hub, with Bursa Malaysia (KL:BURSA) and PwC set to establish offices there," says Knight Frank Malaysia executive director of office strategy and solutions Teh Young Khean.

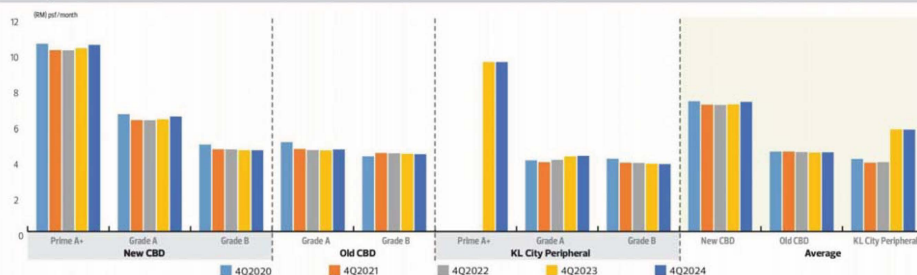
He adds that the occupancy rate for offices in TRX remains healthy, a positive trend that should carry on in 2025 as the overall Klang Valley office market continues to show strong demand with more leasing activity and growing market confidence.

"Occupancy rates in purpose-built offices in TRX were steadily rising in 2024, a trend that is expected to continue in 2025, supported by the upcoming The Exchange TRX Campus

### KL City office occupancy rate trend



### KL City office rental rate trend



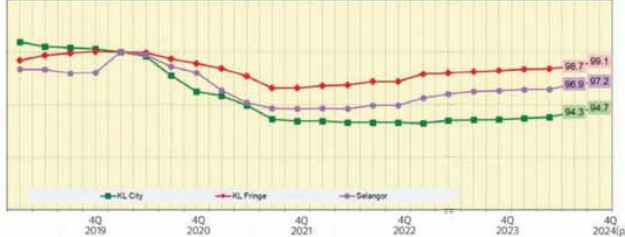


## Klang Valley chain index

KL City: 94.7 points (increased 0.4 points from last quarter)  
Selangor: 97.2 points (increased 0.3 points from last quarter)

KL Fringe: 99.1 points (increased 0.5 points from last quarter)

Rental Indices



Note: (p) = Preliminary data

Office by Lendlease in 1Q2025,\* says Teh.

The strong office demand is expected to be driven by key sectors like technology, finance and professional services, fuelled by local expansions and new regional set-ups.

"Companies increasingly favoured newer office spaces in integrated developments such as Sunway V2 (Sunway Velocity TWO) and Mercu Aspire, drawn to modern amenities and strategic locations. As more MNCs (multinational corporations) and larger firms establish a presence, there is a growing

demand for larger office spaces to accommodate expanded operations, collaborative environments and hybrid work models," he says.

In Cheras, Sunway V2 offers a GreenRe Platinum-compliant Grade A office tower with a NLA of 362,400 sq ft. Meanwhile, the 42-storey Mercu Aspire Tower is part of the bigger KL Eco City in KL. It is the tallest office tower in the master plan, with office built-ups of 1,152 to 18,690 sq ft.

Notable tenant movements in 4Q2024 included an oil and gas company that occupied 200,000

sq ft in Menara PNB, a financial services provider that relocated to Menara Great Eastern 2 and took up 16,500 sq ft, and a co-working and flexi space provider that moved into an 11,100 sq ft space in Wisma Mont Kiara.

Completed in 1985, the 45-storey Menara PNB in Jalan Tun Razak, is owned by Permodalan Nasional Bhd (PNB), Malaysia's biggest fund management company, and currently serves as its headquarters. PNB is relocating to Menara Merdeka 118.

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Teh: TRX is gaining traction, attracting active leasing inquiries and solidifying its position as a premier financial hub

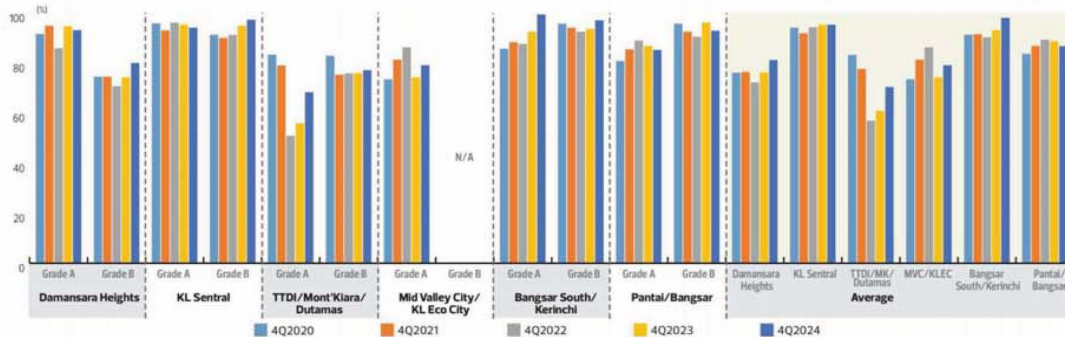


Wong: With no new office completions in 4Q2024, the market has stabilised, enabling vacancies to be absorbed

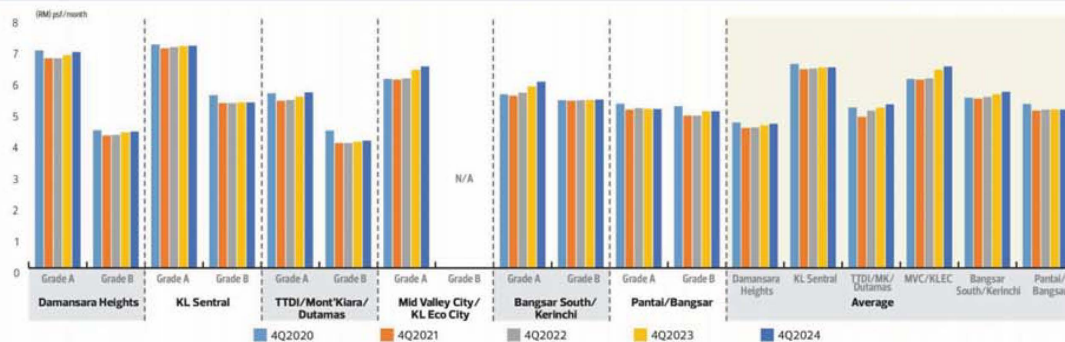
## Under construction / expected completion (2025 to 2026)

KL City	Estimated NLA (sq ft)
2025	0.67 million
2026	0.27 million
Subtotal	0.94 million
KL Fringe	Estimated NLA (sq ft)
2025	0.69 million
2026	0.59 million
Subtotal	1.28 million
Selangor	Estimated NLA (sq ft)
2025	0.97 million
2026	1.20 million
Subtotal	2.17 million
Grand total	4.39 million

## KL Fringe office occupancy rate trend



## KL Fringe office rental rate trend





## Improvement in occupancy and rental rates

### FROM PENDING TO FULL

The 18-storey, GRI-certified Menara Great Eastern 1 in Jalan Ampang is a redevelopment of the previous Great Eastern Malaysia office building. The new space offers column-free offices with a large floor plate of 37,000 sq ft.

The 26-storey Wisma Muzium Negara in Jalan Kiara, Mont Kiara, was completed in 2023. It is within walking distance to shopping malls, a hotel and the bus stop from which you can take a five-minute ride to KL Sentral weekdays.

### Highest absorption rate since 2019

Klang Valley office occupancy and rental rates experienced a positive uptick in 2024, with KL City, the KL fringe and Selangor posting modest quarter-on-quarter (q-o-q) growth.

In terms of rental rates, KL City recorded a q-o-q increase of 0.1% to RM66.65 psf, the KL fringe saw a 0.6% rise to RM46.79 psf and Selangor registered an increase of 0.3% to RM46.25 psf. As for occupancy rates, KL City registered a q-o-q increase of 0.7 percentage points (ppt) to 92.8%, the KL fringe was up 0.1 ppt to 87.6% and Selangor saw an uptick of 0.1 ppt to 85.6%.

The steady growth in both occupancy and rental rates reflects the ongoing recovery in the Klang Valley office market as businesses continue to seek quality office space.

Kuala Lumpur continued to exhibit strong demand for office space in 2024, leading the net absorption rate for the whole year to 1.7 million sq ft, the highest since 2019. This signals a clear recovery in demand for office space, driven by economic optimism and businesses re-establishing their presence in the city.

In contrast, Selangor's office market recorded a more modest net absorption of 259,000 sq ft in 2024, falling short of the nearly 400,000 sq ft observed in 2023. However, this figure is more than double the net absorption seen in 2020, which was just under 100,000 sq ft. While Selangor's office market continues to show growth, its recovery is more gradual compared with the strong momentum seen in Kuala Lumpur.



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## Notable office-related announcements in 4Q2024

- A new office tower with a total floor area (TFA) of 800,000 sq ft is set to be developed adjacent to Menara Q in the 70-acre Tan Raksas Exchange (TRX) in Ipoh. The new development is owned by M&A Holdings Sdn Bhd (M&A), a subsidiary of M&A Group Berhad (M&A). The building is also the company's new head office.
- Q&A International (Q&A) has opened a new office at Exchange 105 in TRX, signalling its strategic entry into the Klang Valley. This initiative positions Malaysia as a key hub for Q&A's regional expansion, with plans to invest at least US\$10 million over the next five years to boost its regional presence and economic growth.
- ANZ has announced a digital alignment and the cloud technology provider will house its new team at Exchange 105. As its new digital business centre in Malaysia, the venture is expected to create over 500 job opportunities in the first year, with further expansion projected into 2025. ANZ International is supported by

comprehensive operations by 2025.

- Provident consultancy firm IPO Group BHD has inaugurated a new 10,000 sq ft office at Menara Atria in KL City. The office features 20 rooms equipped with state-of-the-art amenities, secure data room, meeting rooms and spacious workstations. With this addition, the company now occupies about 52,500 sq ft across Menara Atria and Menara 2 Corporate Towers.

- IT infrastructure service provider Haplo has opened a new office at Menara Shell in KL. Set as part of its strategy to establish Malaysia as a hub for enterprise modernisation in Asia, the office will support its operations in Malaysia and contribute to the country's digital economy.

- Rockwell Ltd has launched its cybersecurity headquarters for the Asia-Pacific region in Cyberjaya, Selangor. The firm has invested in advanced and secure technology controls and cybersecurity infrastructure.

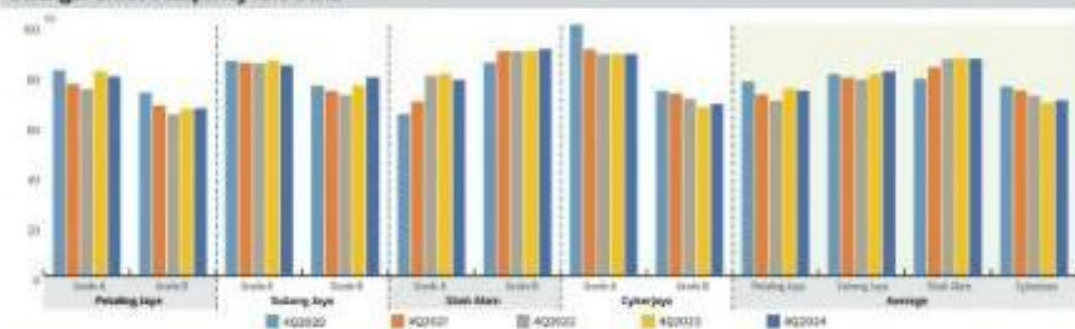
- USI Global, a software service provider, has opened a new office and its Generalist AI

Experience Center in Cyberjaya, Selangor, marking its third delivery centre in the country. The facility will support its expansion in Malaysia and Southeast Asia, positioning the company for continued growth in the region.

- IGB Commercial REIT announced the purchase of two office floors at Menara Southgate in Mid Valley City from its parent company, IGB Sdn Bhd (IGB), for RM63.4 million (or about RM63 psf). The acquisition includes office space on Levels 8 and 9, totaling 30,000 sq ft. The floors are currently let out to a single tenant, and the sale is anticipated to be the REIT's largest completion of the transaction, expected in Q3 2025.

- Apex Realty Holdings (Apex REIT) plans to acquire Tower 2, Avenue 3 at The Parcside in Bangsar South for RM50 million (or about RM50 psf) from its parent company. The five-storey office building covers 54,000 sq ft and will serve as the company's new headquarters following the acquisition of its current base in 2026.

Selangor office occupancy rate trend



Selangor office rental rate trend

