

Pavilion, KLCC still reign supreme in luxury shopping as TRX Mall fails to stir market — Kenanga

TEM theedgemaalaysia.com/node/731226

October 23, 2024

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23 Oct 2024, 01:06 pm



Kenanga Investment Bank: Many high-net-worth individuals within Klang Valley would still prefer shopping in the heart of Bukit Bintang where malls like Pavilion KL are situated. (Photo by Low Yen Yeing/The Edge)

KUALA LUMPUR (Oct 23): Shopping malls under Pavilion Real Estate Investment Trust (KL:[PAVREIT](#)) and KLCC Stapled Group (KL:[KLCC](#)) still reign supreme in the luxury market even after The Exchange TRX Mall opened to much fanfare, said Kenanga Investment Bank.

In a report focusing on the luxury market, the research house said its own survey indicated that both footfalls and sales for most brands in TRX Mall have fallen since their opening. Several retailers struggled to meet targets and a majority generated less than RM1 million in monthly sales, it noted.

“A majority of tourists will still spend their shopping hours in Suria KLCC, drawn by the iconic landmark of Petronas Twin Towers,” the research house said. “Many high-net-worth individuals within Klang Valley would still prefer shopping in the heart of Bukit Bintang where malls like Pavilion KL are situated.”

TRX Mall, developed by TRX City Sdn Bhd owned by Ministry of Finance Inc, opened its doors in November last year to massive crowds checking out more than 400 stores ranging from Seibu department store to jeweller Tiffany & Co and from French shoemaker Christian Louboutin to apparel giant Nike.

Malaysia’s first official Apple Store also opened in the TRX Mall, and some brands such as Jimmy Choo and Gentle Monster have also set up their flagship stores in the mall.

However, “the hype is now gradually fading” and the number of shoppers have dropped, with only 13% of 25 retailers surveyed recently reported higher number of shoppers than at the start of 2024, Kenanga said.

That was partly due to seasonal factors, such as the absence of major festivals like Chinese New Year or Hari Raya Puasa, which typically boost spending, the research house said, noting that affluent Malaysians are also shopping abroad thanks to the strengthening ringgit, further dragging on local sales.

“Our observation also revealed that the mall is busy during lunch hours, particularly at the lower ground floor” where most of the eateries are located, the research house said. The crowd, however, did not translate to “meaningful sales” for luxury brands, retailers were cited as saying by Kenanga.

Post-market survey, Kenanga said Pavilion REIT and KLCC, which have exposure to luxury malls in the KL city centre, will give “positive risk reward” to investors as the potential impact from TRX Mall would be “marginal” and likely already priced into the market.

Edited By Jason Ng