

# **REFSA BRIEF**

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## **THE CASE FOR OFFICE TO RESIDENTIAL CONVERSION IN KUALA LUMPUR**

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## 1. A Steady Hollowing of Kuala Lumpur's Urban Core

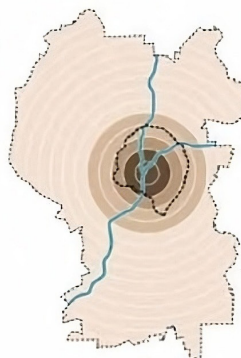
Kuala Lumpur's old city centre, which could be defined as going along the Gombak River, from Jalan Sultan Ismail to Kampung Attap, wrapped by Stadium Merdeka, Masjid Jamek, and Medan Tuanku towards the East, is facing a hollowing out effect. In the past few decades, there has been a shift in essential functions and residential population to other areas, as housing options become increasingly limited in the city centre. The increasing rate of car ownership and shifting businesses have accelerated this phenomenon as the urban core becomes less attractive than it used to be as a place of residence. Whilst it is still a hub for work and commerce, the social and communal aspects are increasingly disappearing. This has created a phenomenon where activities in the urban centre largely cease as the work day ends, leaving only tourists and foreign workers living in the city core.

This is not an issue exclusive to Kuala Lumpur. Hollowing downtowns are common occurrences as older buildings age and new developments spring up. Cities like Seoul grapple with the same problem, while historically, Detroit's downward spiral comes to mind when we talk about "doughnut cities", as a lack of downtown activity, especially at night, led to much more serious problems like crime and safety insecurity. Published in 2019, Think City's Kuala Lumpur Creative and Cultural District (KLCCD) Strategic Masterplan reports that Kuala Lumpur city centre's population declined from [130,000 to 100,000 over a 20 year period from 1990 to 2010, with the historic core recording less than 1,000 residents, around half of whom are non-Malaysians.](#)<sup>1</sup>

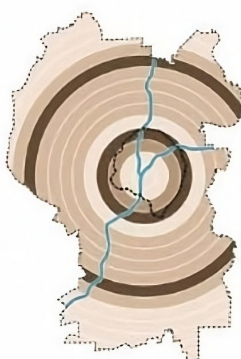
Figure 1 depicts the movement of population density from Kuala Lumpur's urban core towards the outer ring of the city centre and out of the city centre completely from 1980 to 2014. It is still, however, an important hub for multinational companies like Petronas, CIMB Group, Maxis Communications among others, providing an important source of job opportunities, but little options to live near workplaces.

## LOSS OF RESIDENTS FROM THE KL CITY CENTRE

1980



2014



## DENSITY PER ACRE

14.0 - 18.0

18.0 - 22.0

22.0 - 26.0

26.0 - 30.0

Kuala Lumpur city centre

WPKL

Figure 1: Graphic from Think City's KLCCD Master Plan

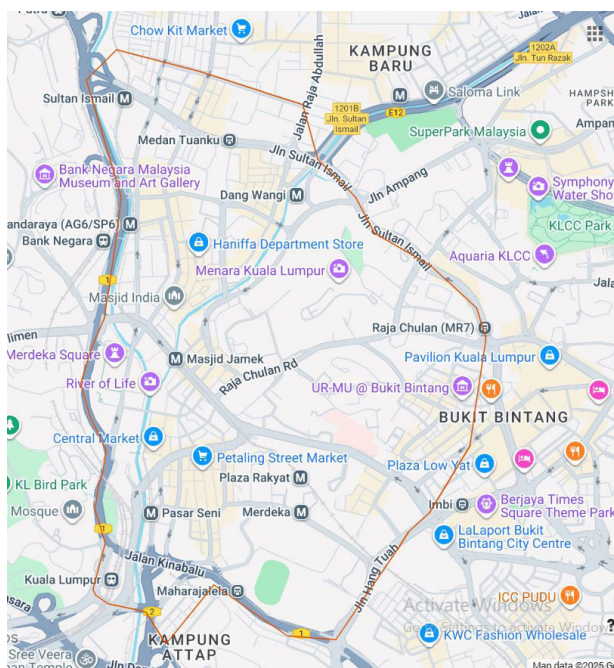


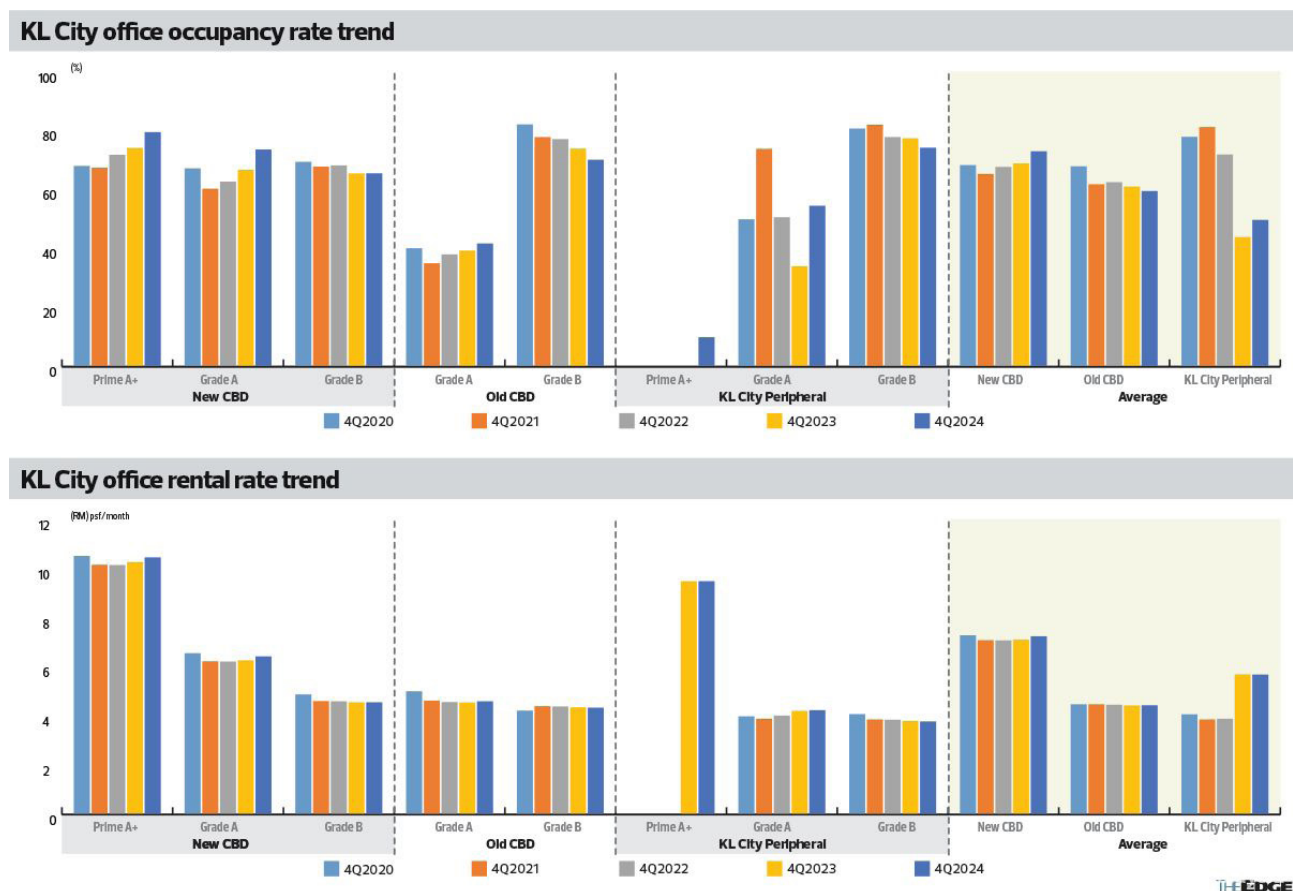
Figure 2: The old CBD of Kuala Lumpur



## Struggling Offices

On top of the rise of other suburban centres, the emergence of remote working during and after the COVID-19 pandemic has brought forth a cultural shift in the concept of a workspace. Furthermore, companies are shifting to shinier and newer buildings to be seen as greener and more sustainable as part of their environmental, social and governance (ESG) strategy. [In 2023, there was an estimated 30 million sqft of vacant office space in Kuala Lumpur, which is 10 times the total floor area of the Merdeka 118 tower.](#) In [2024 alone, there was an additional 1.8 million sqft of office space in the city, with 2.33 million on the way in 2025<sup>2</sup>](#). This has created a situation where certain office blocks have become underoccupied or vacant in the centre as [KL City office vacancy rates stand at 19.4% at the moment<sup>3</sup>](#). Kuala Lumpur City Centre, also known as the old CBD, defined in Figure 2 has struggled to hit occupancy height in its office buildings since the pandemic, particularly with its Grade B variety while Grade A offices have shown signs of recovery.

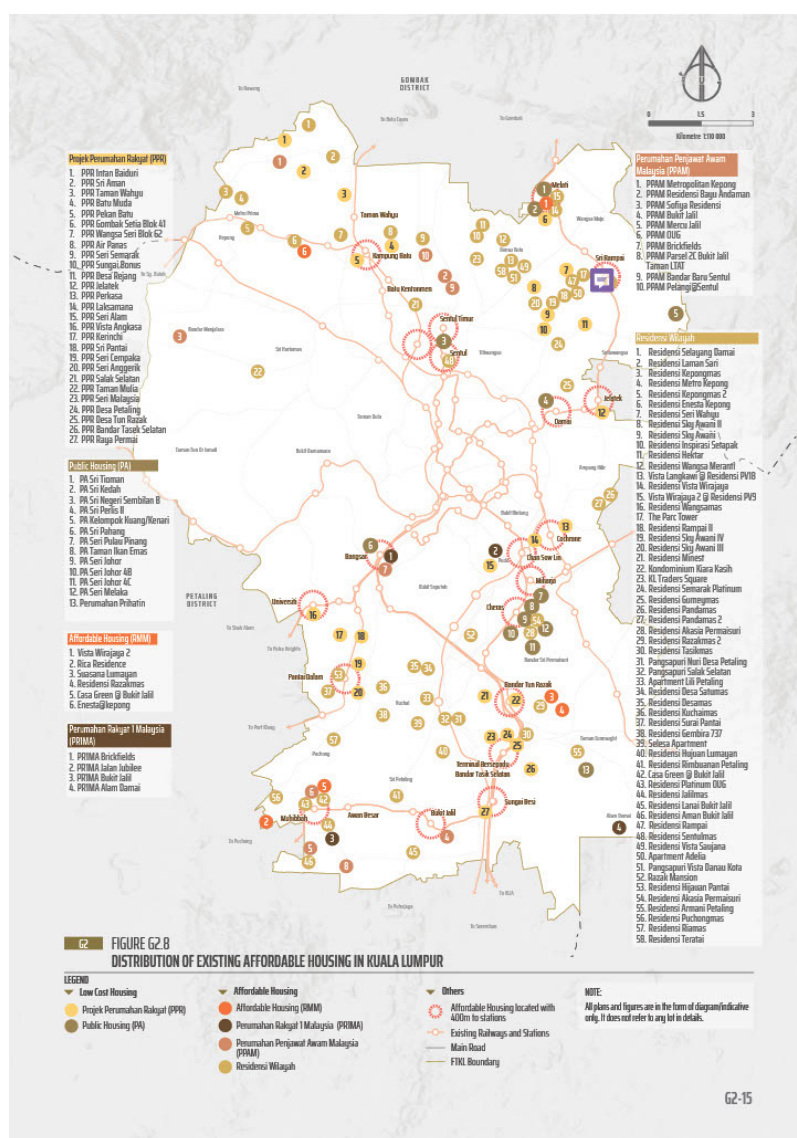
Figure 3 depicts a reduction in office occupancy rates among different parts of Kuala Lumpur, with the old CBD showing a downward trend compared to the new CBD. Underutilized office spaces create problems for the city as a whole, seen through reduced foot traffic and lost tax revenue, creating a sense of decline in neighbouring areas.



**Figure 3:** Depiction of office occupancy rates among different office types in KL. Graphic from The Edge Malaysia | Knight Frank Kuala Lumpur and Selangor Office Monitor

## Housing Market in the Centre, Primed for Financialization

At the same time, limited housing options in the centre has already created a problem where existing housing is mainly taken up by two sides of the spectrum of wealth distribution, featuring old and rundown housing for B40 groups and migrant workers in areas like Chow Kit and Pudu, and upscale luxury condos for expatriates and T20 members among the skyscrapers. [According to Savills' data in 2018, the average selling price on a condominium unit in the city centre rose from RM500,000 in 2001 to RM1 million in 2008, and then to RM1.12 million in 2017, marking a capital appreciation of 123%<sup>4</sup>.](#) It has not helped that new housing in the centre is provided mainly by private developers, and is considered more as [objects of financialization that are tradable, money-making assets, featuring high prices to increase profit margins<sup>5</sup>](#) partly to address high compliance costs and land value. Figure 4 shows the distribution of existing affordable housing in Kuala Lumpur, none of which are located in the city centre.

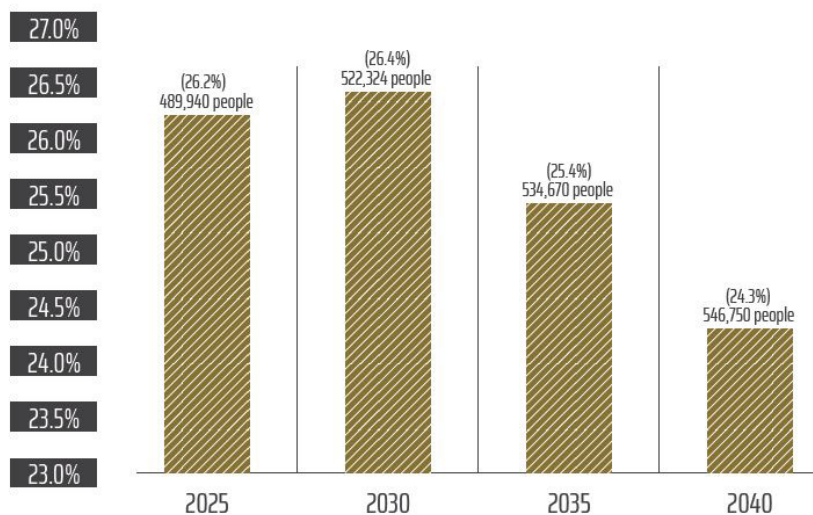


**Figure 4:** The locations of affordable housing projects. Graphic from Kuala Lumpur Structure Plan 2040

## In the Absence of Land, Give Youths a Chance

Land scarcity also makes the old CBD an area that suits smaller households or non-attached individuals. Its proximity to many still-occupied offices, widespread connectivity through public transport, and abundance of entertainment, lifestyle, and dining venues would make it an attractive proposition for young single workers or working couples looking to position their living environment in the centre of work-life balance. In light of Malaysia and Kuala Lumpur's aging population, as highlighted by the Malaysia Department of Statistics projection in Figure 5, it is even more essential to create an accessible and attractive space for the younger workforce to reside in relation to their workspace, in order to keep a youthful vibrancy in the urban core, and to lower the need of leaving the urban core for housing.

FIGURE G2.5: YOUTH POPULATION PROJECTION, KUALA LUMPUR, YEAR 2025-2040

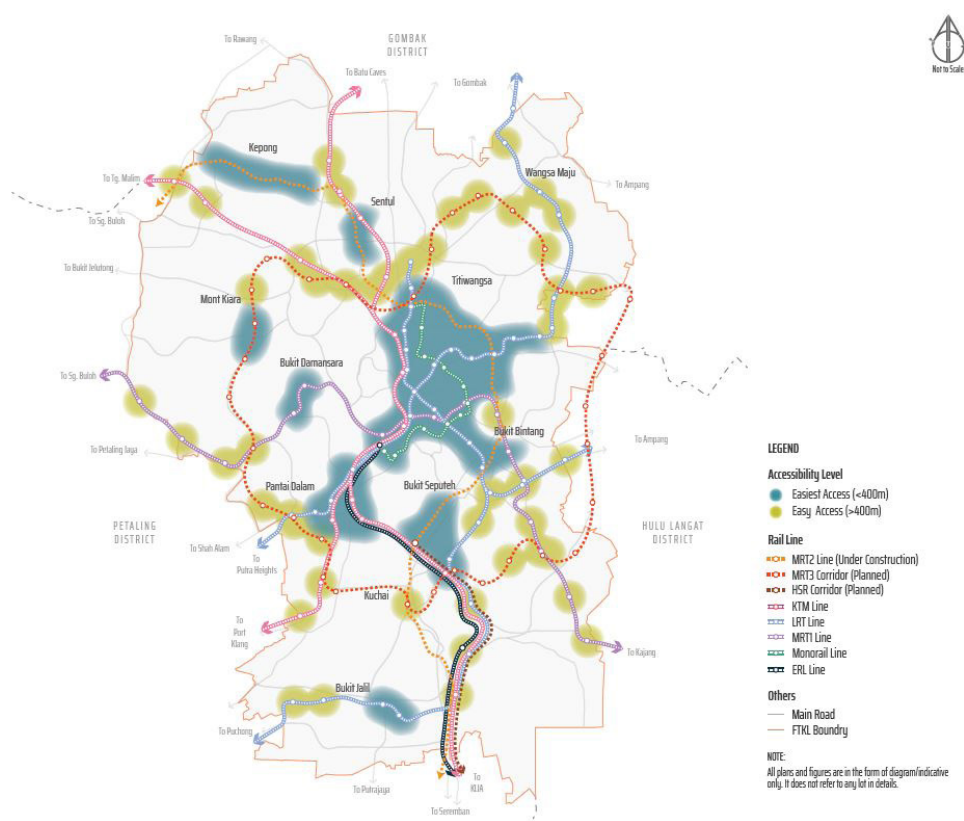


Source: Department of Statistics Malaysia

**Figure 5:** The youth is projected to consist of a smaller percentage of Kuala Lumpur's population. Kuala Lumpur Structural Plan 2040

## Ready Made Solutions in Prime Real Estate

This could be where vacant office blocks fill in the demand gap, as given the right conditions, it could be a highly cost-efficient way to create new residences out of unoccupied offices. While many would argue, rightfully, that traffic in the city centre is among one of the worst in the city, this is largely abated by the proximity of most important services as well as the highly connected and accessible public transportation system. [The high connectivity is reflected in Geografia's statistics that show 50% of employees in Kuala Lumpur's historic core use public transport to go to work](#),<sup>1</sup> with the KL Structure Plan 2040 highlighting the city centre as an area with the easiest access to rail stations in Figure 6.



**Figure 6:** Connectivity to rail networks in KL. Graphic from Kuala Lumpur Structure Plan 2040

This could be a way of providing reasonably priced housing in an area of sky high land value. While many locals from Kuala Lumpur might still have the option of living in their family homes and commuting to work, saving on rent, those from out of state do not have that privilege, and will have to invest in both housing and transport. Ready-built housing stock subjected to appropriate retrofitting could focus on rolling tenants with a need to live near their workplaces, reducing commuting time and car reliance. This could help many young workers set up in a promising location before moving upwards in their housing journey. It could provide a platform for them to move up in the housing ladder without compromising on convenience and accessibility.

Recent rejuvenation efforts of the city centre have focused on traits that other urban centres lack, such as its cultural and historical heritage, especially around the Petaling Street area. This has brought some life and crowds back through the presence of the creative community and trendy new businesses. However, they have not been able to address the issue of housing, but the readaptation of historical buildings like Rex Cinema and the Zhongshan Building into creative hubs show a glimpse of the possibilities. Housing would go a long way to complement these projects, bringing back not just recreational activities, but also everyday domestic life in addition to tourist-centric activities. [There have also already been cases of retrofitting larger commercial buildings](#), including Magnum Plaza, Menara ING, and Wisma KFC that were converted into hotels. Menara HLA in Jalan Kia Peng was slated for a “makeover” that would include co-living spaces<sup>6</sup>.



## 2. Conversion of office spaces as a concept

A quick look into planned and ongoing new residential projects reveal several luxury condominiums such as [8 Conlay and CloutHaus Residences](#)<sup>7</sup> as the sky high land value would make upscale residences more viable options for returns on investment. However, there is no lack of existing buildings in the area, many of which have slowly been vacated over the years. These largely vacant offices could potentially be retrofitted in the right conditions, even if they're not residential by purpose, as a means to create housing in a much more cost-effective way with low-carbon footprints.

Coming out of the pandemic, coupled with companies looking to set up in newer buildings that provide more up-to-date specifications; a number of office blocks in downtown Kuala Lumpur are rendered largely vacant, such as [Maybank's announcement to move to Merdeka 118 from the iconic Menara Maybank](#)<sup>8</sup>. These to-be-vacated buildings provide an opportunity for readaptive uses. Depending on building structure and conditions, they can be converted into much needed residential units. They could be a key factor in bringing back life and vibrancy to the city centre as attractive and affordable rentals for young singles and couples, particularly those from out of state looking to live near their workplaces. The city centre area is already well equipped with amenities and excitement, reasonable housing would go a long way in unlocking its huge potential as not just a financial hub, but also a cultural and social center.

The key lies in targeting the right audience with the right buildings. In fact, in certain societies, it has already become a norm to readapt vacant offices, particularly in places where remote work has stayed a norm. In the United States, the readaptation of office spaces is being projected to make up [42% of total adaptive reuse projects in 2025](#)<sup>9</sup>, tripling since 2022, and potentially provides a blueprint on how to perform retrofitting work that reactivates strategic areas in a sustainable manner. If done correctly, these projects can create attractive mixed-use development.

### Opportunities from conversion projects

#### ***Lower construction costs***

Depending on the building form, structure and condition, little may need to be done for office buildings that are already built and complete for them to be fit for residential purposes. This is of course a big hypothetical, most buildings would require at least some modifications. However, viable conversions allow for a quicker and more affordable construction process. This is particularly important in an area with some of the most expensive lands in the country.

#### ***Taking advantage of attractive areas***

Real estate in the centre is expensive for valid reasons. They are located in highly accessible locations relative to services, public transportation, entertainment, and work. With limited space and resources, new residential developments here that are financially friendly to most people would be almost an impossible dream. The main attraction of the city centre is its location and proximity to different human needs, and one efficient way to take advantage of this is to use existing but underused elements around it to increase its residential function.

***Lower carbon footprint***

Compared to demolition and rebuilding, conversion largely reuses existing structures, reducing carbon emission and construction waste. It also provides an opportunity to enhance and upgrade the energy efficiency of older buildings. In the long term, with an increased residential density, commuting distances would also be reduced for many, effectively lowering emissions from long commutes.

**Challenges of office conversion*****Inflexibility***

Not all offices are prime for conversion. Certain aspects serve as risks for any potential developers. Most office blocks are structurally different from residential buildings, some physical changes might not be feasible or even possible, limiting the flexibility of any new developments. From an engineering and architecture point of view, there may be a limited number of buildings suited for such projects.

***High location specificity***

Choices for conversion are highly location-specific. Since these office buildings already exist, some, despite being vacant, are not located in high potential zones. Any potential projects would require the existing building to be located in an attractive area. The city centre, while boasting high connectivity also contains areas that are less ideal than others, neighbouring dilapidated buildings or dark and dirty streets, and may not be as appealing for new residences without also renewing the surrounding area.

***Zoning Laws/Land Use***

Conversion from commercial to residential use is also not a straightforward process, as developers may have to navigate red tape and complex zoning laws to have any project approved. In Malaysia, such properties would need to be located in a residential zone, or more ideally in mixed use zones in accordance with city councils, which in Kuala Lumpur's case, would be Dewan Bandaraya Kuala Lumpur (DBKL). Conversion choices would need to suit the local plans of the city council. Changing land use requires applying for planning permission to do so. For residential purposes, the information needed include layout plans, description of its physical environment, drainage and water catchment areas. Land use in the city centre is currently highly dominated by commercial types compared to other parts of Kuala Lumpur as depicted by Figure 7.

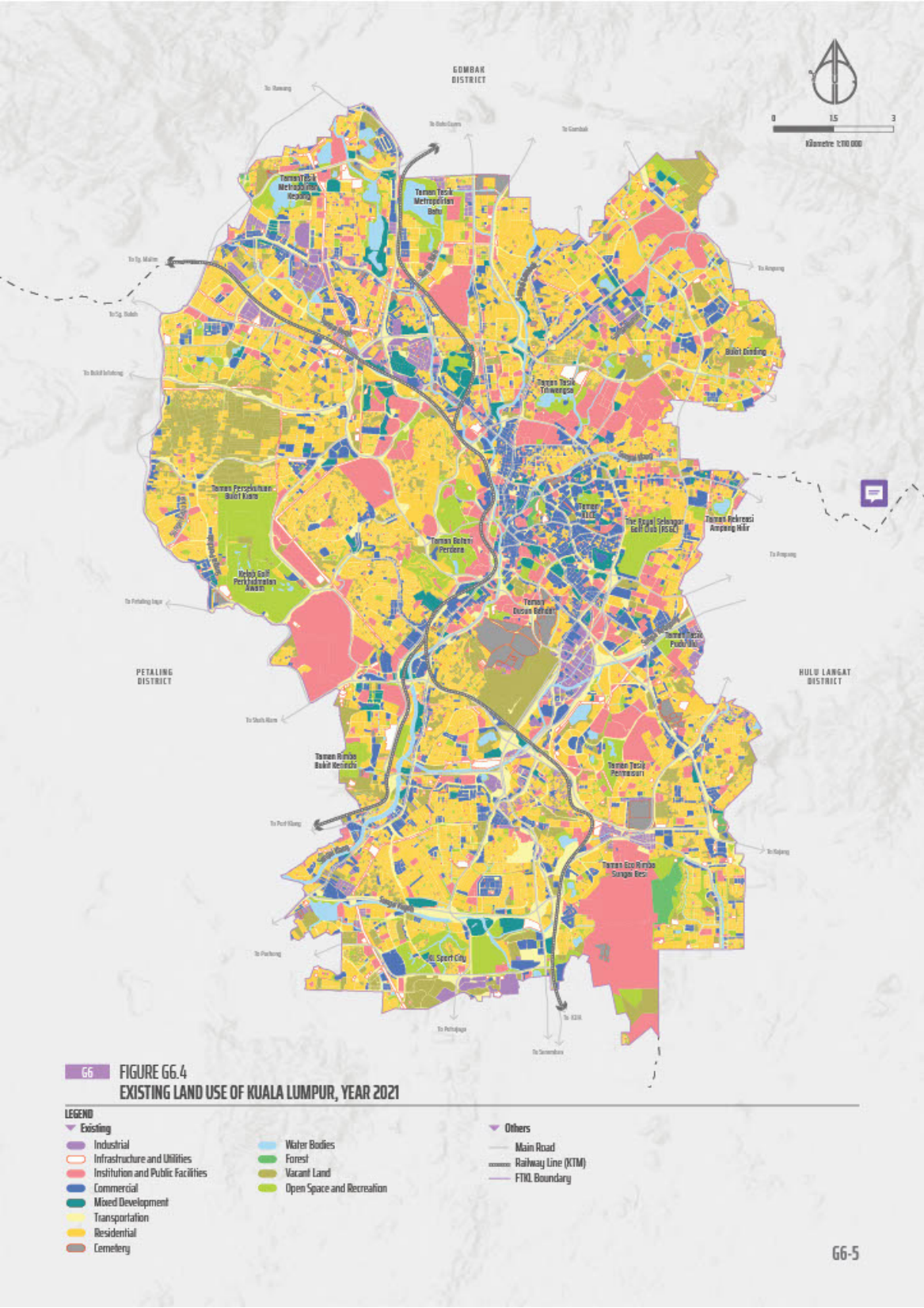


Figure 7: Land use concentration. Graphic from Kuala Lumpur Structure Plan 2040

## Factors Influencing Conversion Viability

### ***Building structure***

Several factors would influence decisions whether an office block could realistically be converted. As stated, office buildings and its surroundings were built and maintained with different specifications from residential blocks. Considerations into building conversion have to include the existence of manually openable windows, adaptable facade openings, appropriate sunlight entry into living areas, distance between lifts/stairs and housing units, and water supply volume among other things to fit residential use or to check if changes are possible. Despite the potential lower construction costs, an ill-fitting building may end up costing more to convert than building from scratch.

Surprisingly, [older office blocks may be more suited to become residential units than most would think](#)<sup>10</sup>. Many older offices would have a [smaller distance between the building facade and elevators, lower floor heights, and operable windows which are better suited for residential use today](#).<sup>11</sup> Most would also have fewer floor plates, which are easier to divide into residential units. In the North American context, office buildings rated worse for commercial use are generally more suitable for conversion projects. In addition, most older buildings would be located in downtown areas, similar to Kuala Lumpur.

### ***Discrepancy in Value Between Retail and Residential Spaces***

Office blocks and residential lots are valued differently. Ultimately, the conversion would have to create enough value for developers and owners to agree upon. An upscale office building owner may hold out for new commercial clients should the proposed conversion be seen as lowering the value of the building. Alternatively, it may not be financially feasible to purchase an expensive office block to convert into mid-range housing that would not cover the takeover and conversion costs. Building owners may also take into account that residential tenants only pay for the space they rent, while offices would usually rent out the entire floor, indicating it may be easier to fill occupancy rates as offices compared to residences.

### ***Office Trends***

Lastly, beyond the peak of the pandemic, the remote working concept has not been as enthusiastically embraced in Malaysia as it has been in some other countries. [There are signs that office vacancy rate may be about to decrease](#)<sup>12</sup> as companies issue return to office mandates. While the city centre is no longer the go-to area to set up office spaces, some blocks might still not be vacant for long, and owners may continue to hold out expecting a rebound in occupancy rates. For conversion to make sense, the building in question's vacancy rate should be a prolonged phenomena. However, the office spaces showing the most signs of revival are in the Grade A variety, which are newer and feature the most up-to-date specifications. Newer office blocks tend to be less suitable for conversion into residential lots due to structural differences.

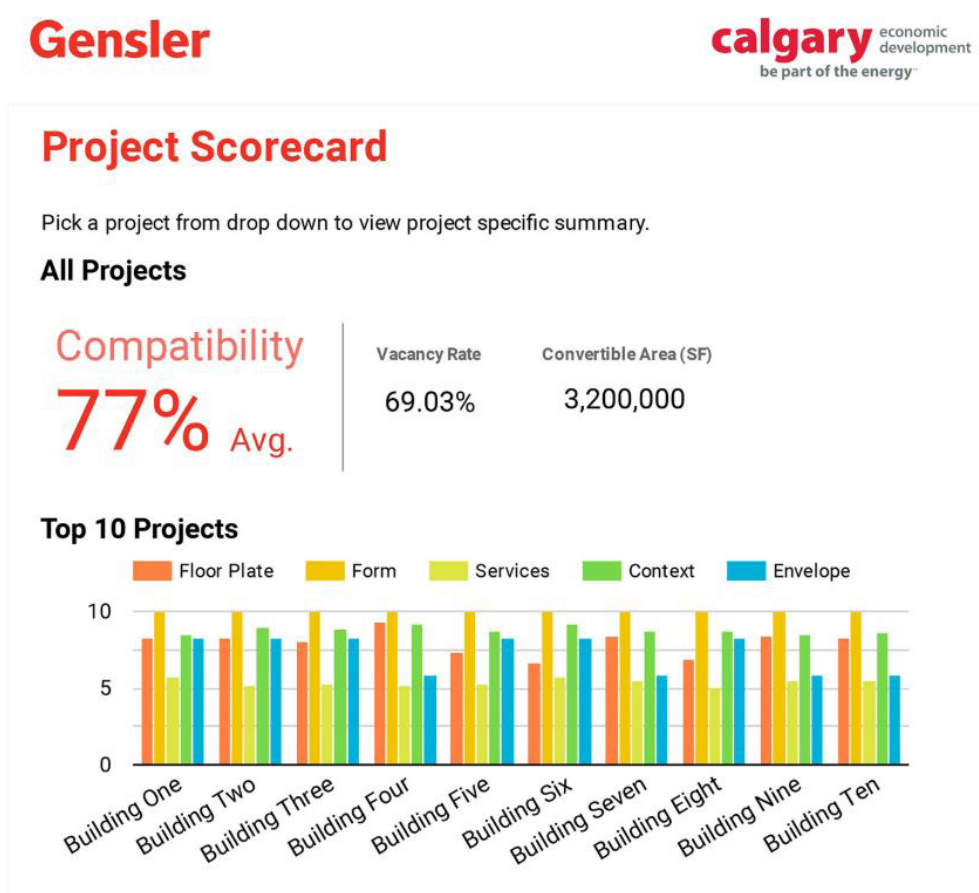


## Conversion Scorecard

To simplify and thoroughly evaluate viability of conversion, it is important to adopt or create a transformation meter that could more accurately measure the conditions, costs, and risks attached to office to residential conversions. It would be useful to learn from existing models in more experienced contexts such as major American cities, or Canada.

For example, Gensler, a global architecture firm, developed a [scorecard](#)<sup>13</sup> that helps evaluate multiple factors for the conversion of old office blocks. Despite first being used in the city of Calgary, Gensler claims with minor adjustments, it could be applied globally. The score card creates 5 main criteria, being:

1. Floor plate
2. Form
3. Services
4. Context
5. Envelope



**Figure 8:** An example of a Gensler scorecard

Among other criteria looked at are ceiling heights, number of elevators, access to transit, and parking. In short, **buildings with a good score would have shallow floor plates, high ceilings, side cores, zoning for residence, good transport accessibility, and have good light access.** This alludes more to buildings built before 1970. A bit alarmingly, Gensler found that only about 25% of the buildings surveyed were viable for residential readaptation.

Given the emphasis on infilling as a development strategy in the Kuala Lumpur Structural Plan 2040, **DBKL could commission local urban planners and architecture firms to revise the Gensler scorecard for localized use.** The scorecard may have to take into consideration the aesthetical differences and materiality in Kuala Lumpur's old office blocks that may boost or dampen potential for conversion.

**Table 1:** Types of Office Buildings in Kuala Lumpur and Conversion Potential

| Type      | Characteristics  | Conversion Potential | Key Barriers/Advantages                    |
|-----------|--|----------------------|--|
| Grade A   | <a href="#">Premium towers, central location, less than 15 years old, deep floor plates, advanced HVAC and tech system</a> <sup>14</sup>   | Low                  | Too expensive, high rents                  |
| Grade B   | 15-30 years old, common in the old CBD (Jalan Sultan Ismail, Jalan Ampang), may lack modern amenities, may have inefficient layouts or aging MEP systems                                   | Moderate             | Case-by-case, may need major upgrades      |
| Grade C   | Usually 30+ years old with many high vacancy, lower demand, often not strata-titled and located in older urban zones (Jalan Raja Laut, Pudu, Chow Kit), simple concrete frame construction | High                 | Often underutilized, structurally flexible |
| SOHO/SOVO | "Small Office, Home Office" or "Small Office, Virtual Office", designed for dual use, located in mixed-use buildings or fringe CBD   | High                 | Already flexible or semi-residential       |

Source: REFSA

### 3. Financial Incentives for Conversion Projects

Costs are a huge factor in the feasibility of a conversion project, and they vary from building to building. It is not a guarantee that converting an office block would cost less than building from scratch as offices were not built with retrofitting in mind. Hence it takes very careful calculation to determine if it is worth the financial risk to commit to a conversion project.

Existing projects have used a variety of different sources of funding. The most common financial incentive to encourage similar projects come in the form of tax incentives. Tax increment financing diverts future tax revenue increases to help fund redevelopment, and is used in the LaSalle Reimagined project in Chicago<sup>21</sup>. Alternatively, converted projects can be subjected to temporary relief from increased taxes due to the amendments and improvements made. Locally, the Malaysian government offers the [Industrial Building Allowance \(IBA\)](#)<sup>28</sup> for certain types of buildings used for qualifying industrial or commercial activities. This could be deducted from the project's capital expenditure.

Many countries with more experience in conversion as a viable option to provide housing utilize public grants and subsidies. Public grants are usually given based on projects meeting preset criteria, such as housing affordability or energy efficiency. Urban renewal funds are also common in cities looking to revitalize their urban core. In Malaysia, the [Think City Regeneration Programme](#), supported by the Ministry of Finance, works with local governments and offers grants to projects that help fulfill the urban renewal mission. One of the strategies listed in the programme is to repurpose unused office spaces to attract residences, highlighting the possibility of funding and will for conversion projects.

In cases where the public sector may lack the capacity, funding, or technical expertise to deliver a project, especially those with high capital costs and long-term payback horizons, public-private partnerships are more common. It is also a more viable funding strategy when more than one building is on the conversion radar and related parties cannot take them on alone. Few private developers would willingly create affordable housing on premium land without assistance or incentives.

In cases where buildings or development processes are in less than ideal conditions, a distressed asset acquisition is possible. Such a property may be purchased at below market value from struggling developers, abandoned projects, or at auctions. For example, [the unfinished Plaza Rakyat has long been the subject of such an acquisition](#)<sup>15</sup> that has yet to materialize.

## 4. Why Kuala Lumpur's Vacant Offices are Ripe for Conversion

Kuala Lumpur is currently in a very ripe stage for conversion projects thanks to several existing elements. Firstly, **the city centre boasts the highest accessibility to public transportation** through the MRT, LRT, Monorail, KTM, as well as RapidKL buses.

Secondly, **recent and ongoing non-residential projects have and will increase the cultural value of the city centre**. For example, Petaling Street's renewal has increased artistic activity in the area. The designation of a Warisan KL core had further enhanced the heritage of the city centre and highlighted its identity and attractiveness. If poorly performing offices can be converted into residential spaces, urban spaces may be utilized even more efficiently, making it easier to conduct sustainable urban revitalization that includes returning residents to the urban core, and guaranteeing a more liveable city.

Thirdly, [approximately 70% of Kuala Lumpur's office stocks were constructed before 2015](#)<sup>16</sup>. Aging office towers of the city centre might have reached their end of lives as they probably no longer meet the standards for contemporary offices as companies also look to meet their ESG goals. [Green-certified offices have also seen lower vacancy rates](#)<sup>17</sup> compared to non-green certified offices, signifying a higher market demand. Upgrades may cost more than usual without guaranteeing an increase in tenants due to the rise of other commercial areas. Adaptive reuse would help fill the gap of downtown housing while giving these blocks a new lease of life. It could be a more cost effective measure compared to demolition or simply leaving them underoccupied. New offices continue to spring up, making it more likely that older ones would increasingly go obsolete or see a constant turnover of clientele, making perhaps a conversion a beneficial solution for all involved.

Fourthly, to further make the case for Kuala Lumpur, it is stated in the Kuala Lumpur Structure Plan 2040 that there is a need to [diversify housing choices, especially in the face of a projected shrinking household sizes going into 2040](#)<sup>18</sup>. The same document also mentions the preference for infill development which maximizes land use productivity, both of which bodes well for the idea of office to residential conversion, which is more viable when the surrounding is an established urban environment. Vacant offices serve as uneconomic spaces in existing built-up areas, making it potentially the type of productive redevelopment that adheres to the plan. The availability of Grade B and Grade C offices would make it worthwhile to at least evaluate their suitability and conversion potential.



## Potential Kuala Lumpur sites to be retrofitted

### *Standard Chartered Bank Building*

Despite being located in the heart of Kuala Lumpur, it is actually owned by the government of Selangor. Completed in 1909, It was originally the headquarters of the Chartered Bank and is gazetted as a National Heritage Building under the Antiquities Act. However, it has been left vacant since being the home of the music museum from 2015 to 2017. The Selangor government expressed [plans in 2022 to turn it into a tourist centre](#)<sup>19</sup>, but nothing has come of it and plans are said to be on hold. It would need some major renovation given the condition of the building, but its strategic location and cultural value makes it a candidate to be given serious consideration.

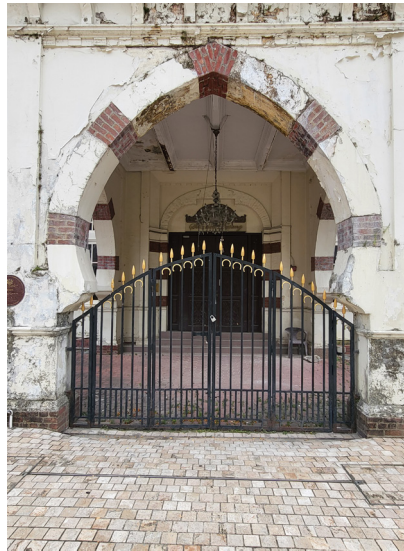


Image 1 (TL): The exterior of the Old Standard Chartered Bank Building.  
Image 2 (TR): Access to the building is restricted, with a future use still undecided.  
Image 3 (BL): The building is in need of refurbishment and upkeep.

***Bangunan Lee Yan Lian***

Built in 1940 and once the tallest building in Malaysia, the building currently houses several classrooms for Segi College, among several other offices. The 18-storey building has a large number of vacant floors. The most seen visitors and users are students of Segi College, whose main building is across the street. The building itself is aging and would benefit from an effort to renew or renovate.



Image 4 (L): Bangunan Lee Yan Lian has a fairly empty directory, particularly in the middle floors.  
Image 5 (R): The exterior of the building.



### KH Tower

Built in 1983 with 38 storeys and formerly known as Menara Pan Global. Currently, 20 floors are occupied by the Pacific Regency Hotel Suites, highlighting a potential for residential purposes. KH Tower is located in the Kuala Lumpur Golden Triangle and the office floors feature a large number of vacant units, which would be interesting to keep an eye on.

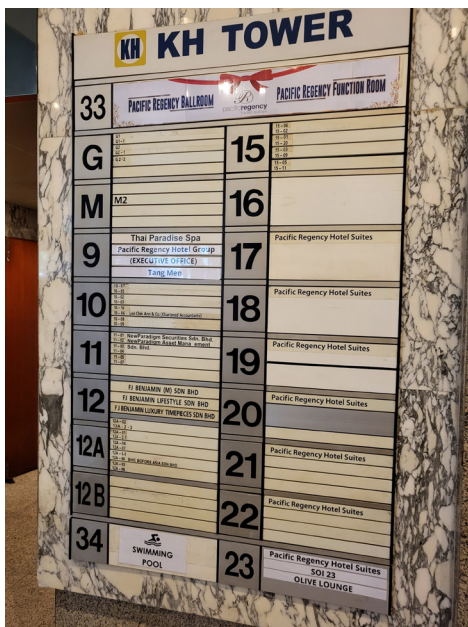


Image 6 (TL): Exterior of KH Tower.

Image 7 (TR): Both empty retail and office spaces are available.

Image 8: (BL): Outside of Pacific Regency Hotel Suites, many vacant units are unoccupied.

Image 9: (BR): The building lobby is undergoing work and still features empty shops.

## **Menara Raja Laut**

Formerly Wisma Eon Bank, the 1994-built 27-storey building sees a lot of vacant floors. Both empty offices and retail lots could be seen from the ground floor. Some retail lots have been vacant since 2018. Additionally, low asking rents online also points to a weak demand and the possibility that conversion could revive the building.



Image 10(TL): Exterior of the building.

Image 11 (TR): There are several empty ground floor office spaces in the building.

Image 12 (BL): Escalators were not running and the mezzanine was empty.

Image 13 (BR): A moving out notice from 2018 is still seen on the window of an empty retail lot.



### ***Loke Yew Building***

The mid-rise building is located adjacent to the River of Life, just south of Merdeka Square. The ground floor and surrounding offers lots of services, convenience stores, and services, while tenancy for its office units is not at full occupancy. The modest floor area could make it a suitable candidate for small scale adaptive use. Its sale price of lower than RM10 million suggests a lower market value compared to buildings in the same heritage area.



Image 14: The exterior of the Loke Yew Building.

***Menara Maybank***

Permodalan Nasional Berhad (PNB) leases the building and is seeking to repurpose it after Maybank's relocation. While there hasn't been any plans announced for the future of the building, it is in a prime location and in good condition. From a preliminary standpoint, it may be worth taking a look at the building structure and mechanical, electrical, and plumbing (MEP) systems to evaluate the potential for conversion. Risks would lie at potentially needing to convert the building's core layout, windows, and grid, but it may be worth a thorough evaluation given the building's location and prestige.

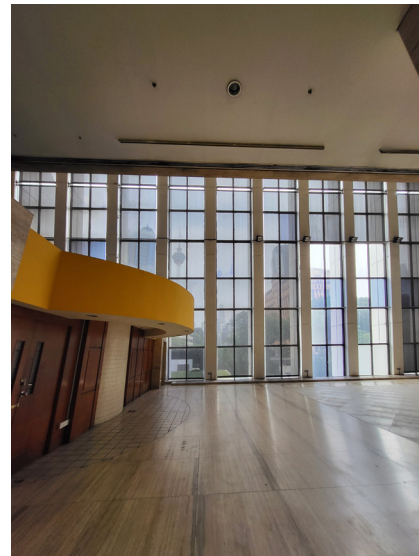


Image 15 (TL): Exterior of Menara Maybank.

Image 16 (TR): Interior space of the building lobby.

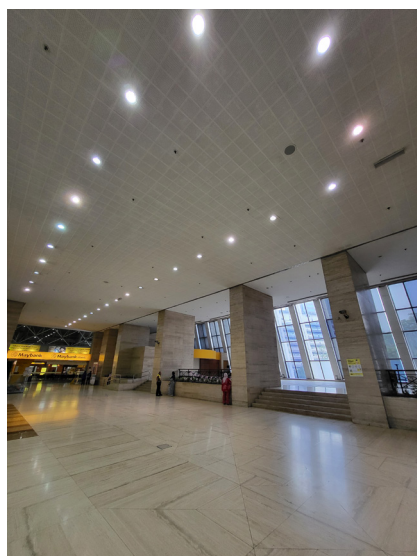


Image 17 (BL): The corridor in the lobby leading to the main Maybank branch.

### Wisma New Asia

Formerly known as the Wisma MPL, it was put on auction 3 times due to poor performance. Wisma New Asia currently still advertises many of its office, retail, and residential units on property sites, suggesting low occupancy. It is located in the Golden Triangle with easy access to public transport, KLCC, and Bukit Bintang. Being a midrise building with 18 floors, it would be more adaptable than any high rises. Its ideal location and moderate size makes it less of a risk for any potential conversion investments.



Image 18 (TL): Exterior of Wisma New Asia.

Image 19 (TR): There is a good number of small businesses in the lower floors of the building.

Image 20 (BL): Wisma New Asia is another building with a relatively large vacancy rate in offices according to the directory.



### **Imbi Plaza**

Before Plaza Low Yat became the go-to IT mall in Kuala Lumpur, there was Imbi Plaza. Today it still houses a number of IT repair and gadget shops on the ground floor but business is slow with many vacant spaces. The building itself is also in dire need of upgrades. As an IT mall, it is past its heyday but it has potential to be transformed into something else. The upper floors of the building contain offices which have a handful of tenants. Its location on Jalan Imbi is highly strategic, being in direct access to the monorail.



Image 21 (TL): Exterior of Plaza Imbi. From Google Street View

Image 22 (TR): Vacant retail lots inside. Screenshot from "Mall #9 | Plaza Imbi: The Computer Mall of The Past Can Still Survive?" by Ryan Go Where, Youtube.

Image 23 (BL): An office level in Plaza Imbi. by Jackie Yap

### ***Wisma SPS***

Located directly next to Plaza Imbi, Wisma SPS is an office block with retail lots on its lower floors. It is another building left in a rundown condition in the Kuala Lumpur golden triangle. Both the retail lots and upper floor offices have been largely vacant besides the management of the building.



Image 24: Exterior of Wisma SPS, which is directly next to Imbi Plaza. From Google Street View



### **Red Land Building**

The building is iconic not for its function but for the giant LED advertising billboard on its facade. It used to be owned by Selangor's education foundation, Yayasan Selangor. It has been vacant for 10 years as of 2024, and since then, the Yayasan Selangor sign has been replaced by Redland. Its future continues to be ambiguous. Previous attempted redevelopment efforts were jeopardized by the COVID-19 pandemic. Despite its name change, no details of any new development have been released.

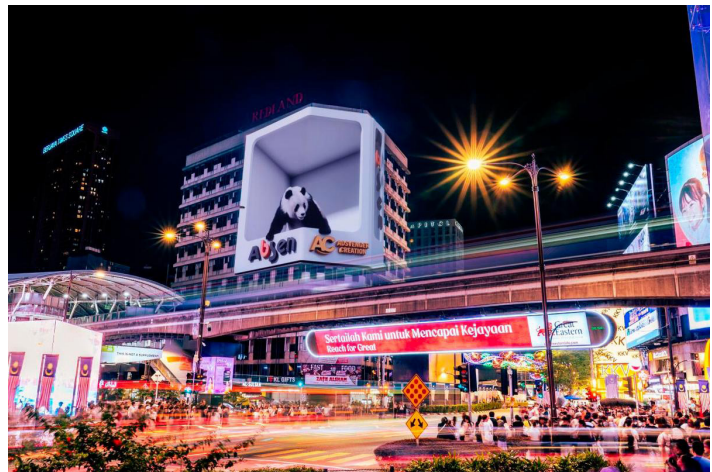


Image 25 (L): The building when it was still known as the Yayasan Selangor Building. By William Gary, the Star.

Image 26 (R): The building rebranded as Redland Building, featuring its giant LED advertising screen. The Sun.

## CONCLUSION

Kuala Lumpur potentially has a good supply of underoccupied office blocks located in prime locations. It should be seen as an opportunity to solve several issues facing the city centre without needing to break the bank or create grand new plans. With residential choices at a premium and a dwindling population in the urban core, converting office blocks to residences could kill two birds with one stone. It could give life back to unused buildings and reactivate urban spaces while providing attractive housing in an area deemed unaffordable for a majority of young workers. As land becomes scarcer, the city has to be more efficient with providing accessible housing for this core group of younger citizens who can concentrate both their working and social lives around the city centre.

That being said, it is not as easy as just picking a building and starting the converting process. Thorough preliminary work has to be done in order to confirm the viability of such projects. It could be the case that a number of buildings are not structurally suited for residential function. However, even if an office block is not fit for residential conversion, there are other possibilities that could revive the city centre. Both local and international cases have shown the possibilities of retrofitting old buildings. There are various ways to incentivize conversion projects and benchmarks to measure suitability. This would go a long way to matching Malaysia's targeted strategy in the latest structural plan of infill development. If done correctly, it could potentially save money, space, and significantly reduce carbon footprint from new constructions and demolitions. Several Western cities have begun to adopt office to housing conversion as a strategy rather than isolated cases, it could be a footstep Kuala Lumpur can follow.

Kuala Lumpur's city centre has long been a business core but age is catching up with many previously Grade A buildings. As companies move to more state of the art office blocks, a cluster of once fully occupied but slowly decaying supply is made available. Upgrading them for the latest office needs could be done, but it's not a guarantee of returning clients given the current competitive nature of the market. However, the housing shortage in such a well connected and attractive part of the city opens up a new possibility for these buildings. Demolition and decay are not the only options for hollowing Grade B or C office blocks. While not 100% of them would be suitable for residential purposes, it would be well worth the effort to at least give them a thorough evaluation and potentially a new lease of life that could help rejuvenate a historical and iconic part of Kuala Lumpur. The last thing the urban core needs is a cluster of decaying vacant buildings sitting around until they're no longer fit for any kinds of usage.

## Best Practices and International Case Studies

### ***Retrofitted Youth Housing- Perumahan Bandar @TAR, Kuala Lumpur, Malaysia***

In Kuala Lumpur, conversion is not an unprecedented idea. The Perumahan Bandar @TAR is a student housing converted from midrise office lots, creating a communal and co-living space. [The commercial building features 2 blocks with 7 floors and a basement, and DBKL allocated around RM7 million for the readaptation process](#)<sup>20</sup>. The project was divided into 2 phases, with phase 1 involving the basement to the fourth floor, and phase 2 from the fifth floor to the roof.

The housing project is a micro housing rental only for Malaysians aged between 18 to 35 with a monthly salary lower than RM 2,000 working in Kuala Lumpur, without ownership of a car or other housing properties for a total of 311 tenants. The housing units utilize the concept of shared spaces measuring 7sqm each, containing three to six beds and a wardrobe. Rates start at as low as RM100, but once a tenant begins owning a home, they would be asked to move out, creating a rolling core of tenants. Despite this focus on rolling tenants, occupants can add any permitted fixtures such as tables, chairs, and small shelves in order to make the space feel more like their own and to instill house pride.



Image 27: Perumahan Bandar @TAR before and after conversion. DBKL



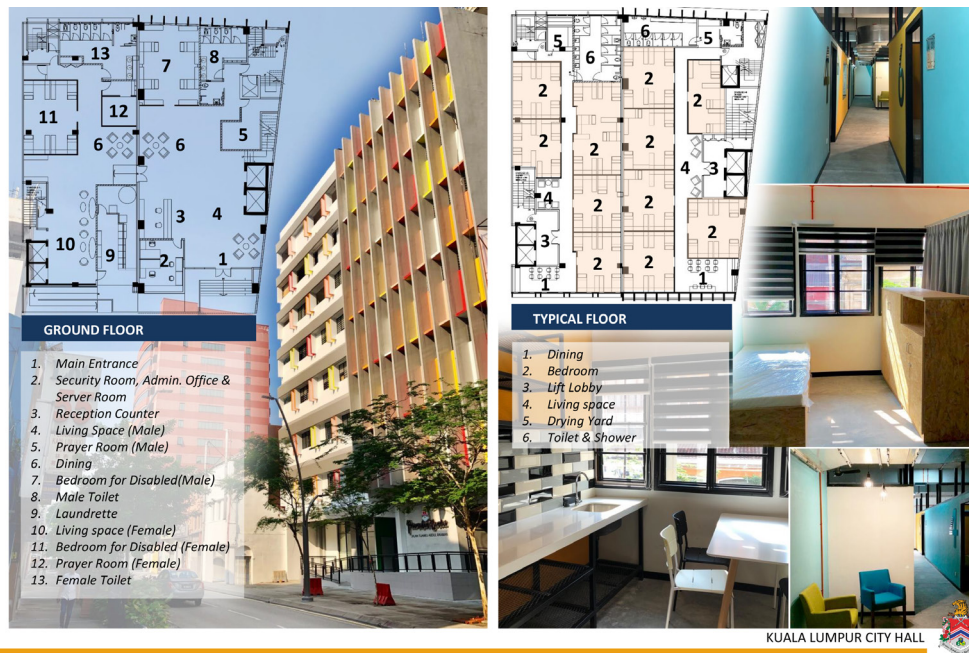


Image 28: Floor plans of the converted Perumahan Bandar @TAR. DBKL

With careful evaluation, readaptation projects have the potential to reduce construction costs while increase housing stock, lowering our carbon footprint at the same time. Meanwhile, the existence of residences in attractive neighbourhoods helps in fulfilling their potential and encourages better development. The target audience can be adjusted to include different demographics and diversify the population of the area. [Whilst discussing the Perumahan Bandar @TAR, former Kuala Lumpur mayor Datuk Nor Hisham Ahmad Dahlan touted the Chow Kit area as an area with old buildings DBKL is looking for similar purposes<sup>20</sup>.](#)

***LaSalle Street Reimagined, Chicago, USA***

Early this year, the [LaSalle Street Reimagined project](#)<sup>21</sup> in Chicago broke ground which mainly features the conversion of 7 floors of vacant office spaces into 117 units residential units, requiring 30 percent of it to be affordable (defined as available to households earning up to [60 percent of the area median income](#)<sup>22</sup>). The project costs USD64 million with USD28 million being from tax-increment financing that permits [increased tax revenue from the project to go back to the project itself and not the general tax base](#)<sup>23</sup>. In addition to new residential units, the plan would also [enhance and increase amenities and retail spaces around the area](#)<sup>24</sup>, and is slated for completion in conjunction with the completion of the Thompson Centre which will serve as the new office for many Google employees, leaning into the so-called Google Effect.



Image 29: Rendering of 30 N LaSalle Street by SCB.



### ***Ascott Raffles Place, Singapore***

Closer to home in Singapore, the Ascott Raffles Place was completed in 1955 and served as the headquarters for the Asian Insurance Company. It was eventually acquired by the Ascott Group and following refurbishment, rebranded as Ascott Raffles Place providing [146 serviced apartments](#). [The building itself was also gazetted as a building for conservation given its historical value. The conversion process cost SGD60 million<sup>25</sup>](#), with iconic elements of the building maintained such as its mosaic staircase with timber railing, brass mail chute, and window frames. Glass panels replaced the window panes to improve soundproofing and a gym and rooftop swimming pool were added. The project won one of Urban Redevelopment Authority's (URA) Architectural Heritage Awards in 2009 for preserving heritage while providing high-end urban living conditions.



Image 30 (L): The exterior of Ascott Raffles Place from Booking.com

Image 31 (R): Interior of a serviced apartment at Ascott Raffles Place from Booking.com

***Sierra Place, Calgary, Canada***

[In Calgary](#)<sup>26</sup>, it was discovered that the cost needed to create new affordable housing would outweigh rental revenue potential. Instead, Sierra Place, a 10-storey, 100,000 sqft empty office block was retrofitted and converted into Neoma, a six-floor, 82-unit affordable housing for the vulnerable, in addition to 4 floors for shelter, transitional, and support services, as well as a childcare centre. The project pooled together funds from different levels of government as well as from private donors, [amounting to CAD30 million](#)<sup>27</sup>.



Image 32 (L): Sierra Place before conversion from Google Street View.

Image 33 (R): Sierra Place in downtown Calgary from Calgary HomeSpace Society.

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## APPENDIX

Figure 1: Graphic from Think City's KLCCD Master Plan highlighting the shift of population densities in KL

Figure 2: The old CBD of Kuala Lumpur

Figure 3: Depiction of office occupancy rates among different office types in KL. Graphic from The Edge Malaysia | Knight Frank Kuala Lumpur and Selangor Office Monitor

Figure 4: The locations of affordable housing projects. Graphic from Kuala Lumpur Structure Plan 2040

Figure 5: The youth is projected to consist of a smaller percentage of Kuala Lumpur's population. Kuala Lumpur Structural Plan 2040

Figure 6: Connectivity to rail networks in KL. Graphic from Kuala Lumpur Structure Plan 2040

Figure 7: Land use concentration. Graphic from Kuala Lumpur Structure Plan 2040

Figure 8: An example of a Gensler scorecard

Image 1: The exterior of the Old Standard Chartered Bank Building.

Image 2: Access to the building is restricted, with a future use still undecided. Old Standard Chartered Bank Building

Image 3: The building is in need of refurbishment and upkeep. Old Standard Chartered Bank Building

Image 4: Bangunan Lee Yan Lian has a fairly empty directory, particularly in the middle floors.

Image 5: The exterior of Bangunan Lee Yan Lian.

Image 6: Exterior of KH Tower.

Image 7 : Both empty retail and office spaces are available. KH Tower

Image 8: Outside of Pacific Regency Hotel Suites, many vacant units are unoccupied. KH Tower

Image 9: The building lobby is undergoing work and still features empty shops. KH Tower

Image 10: Exterior of Menara Raja Laut.

Image 11: There are several empty ground floor office spaces in the building. Menara Raja Laut

Image 12: Escalators were not running and the mezzanine was empty. Menara Raja Laut

Image 13: A moving out notice from 2018 is still seen on the window of an empty retail lot. Menara Raja Laut

Image 14: The exterior of the Loke Yew Building.



Image 15: Exterior of Menara Maybank.

Image 16: Interior space of the building lobby. Menara Maybank

Image 17: The corridor in the lobby leading to the main Maybank branch. Menara Maybank

Image 18: Exterior of Wisma New Asia.

Image 19: There is a good number of small businesses in the lower floors of the building. Wisma New Asia

Image 20: Wisma New Asia is another building with a relatively large vacancy rate in offices according to the directory.

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Image 33: Sierra Place in downtown Calgary from Calgary HomeSpace Society.

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