



Property Market Outlook 2026

Reshaping Real Estate: Alternative Assets,
Adaptive Reuse & The Future of Investment

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2026 Malaysia GDP Outlook:

Moderated but remains resilient fundamentally

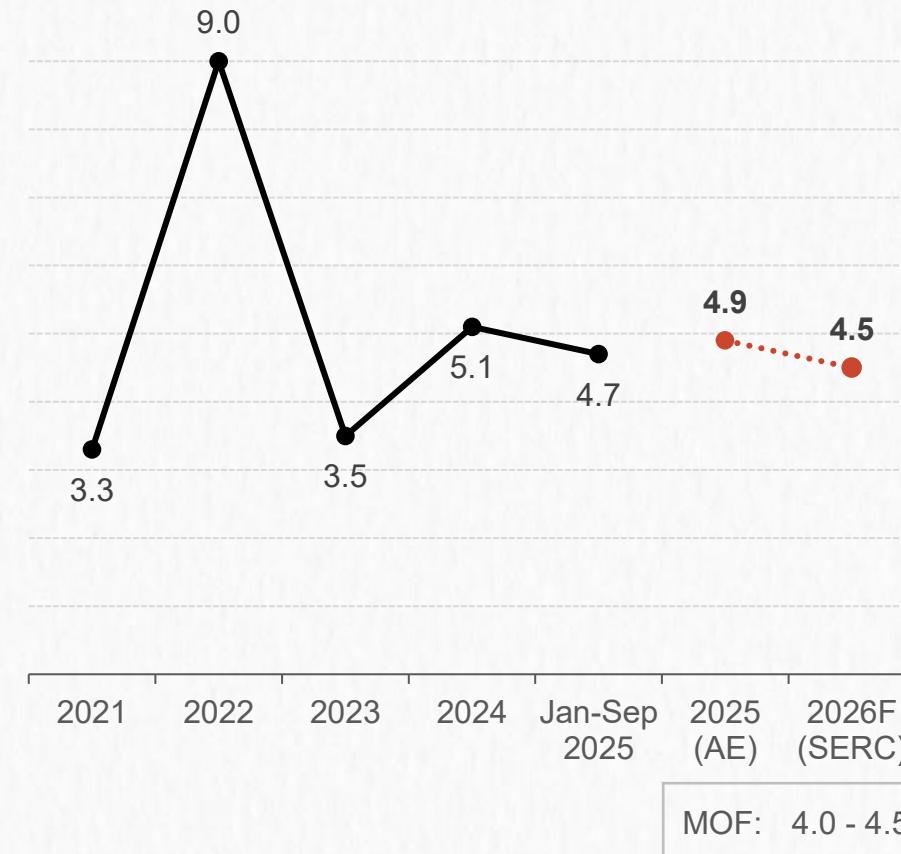
Domestic demand is calling the shots

Exports remain a wild card

Note: AE=Advanced Estimate by DOSM; F=Forecast.
Source: Department of Statistics (DOSM); Ministry of Finance (MOF)

Malaysia's real GDP growth

%, Year-on-Year



Key Upside Risks

- Stronger fiscal stimulus in some advanced economies
- More monetary easing
- Reduced trade tensions
- Continued strong demand for E&E
- Robust domestic tourism activity

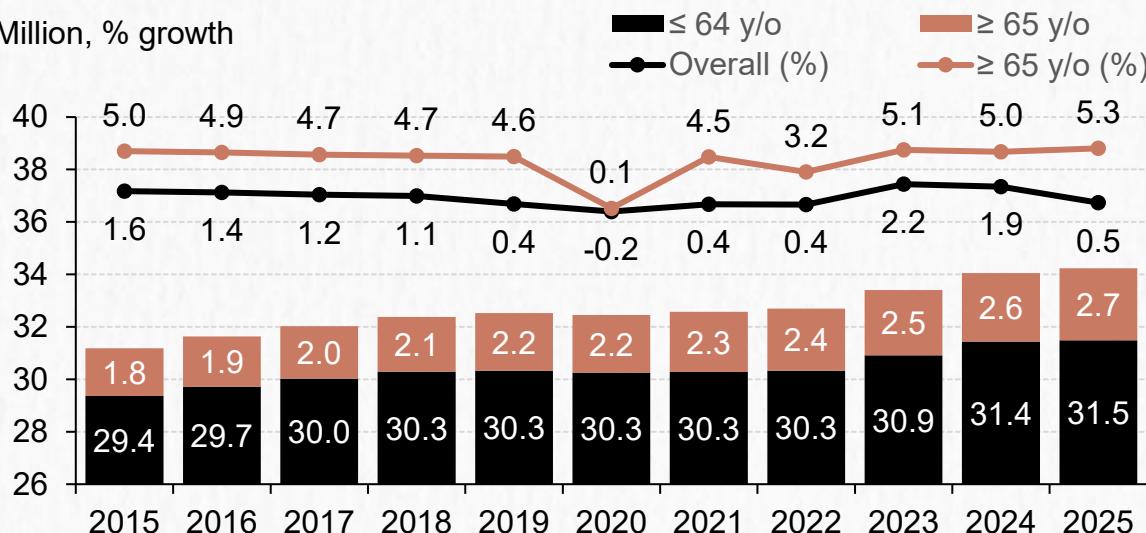
Key Downside Risks

- A full impact of tariffs or further tariffs on global growth and trade
- A renewal in AI boom
- “Payback” period for exports sharper than expected
- Delays in implementation of projects
- Prolonged uncertainties and increasing business costs weaken investment sentiment

Housing affordability pressures persist amid demographic shifts

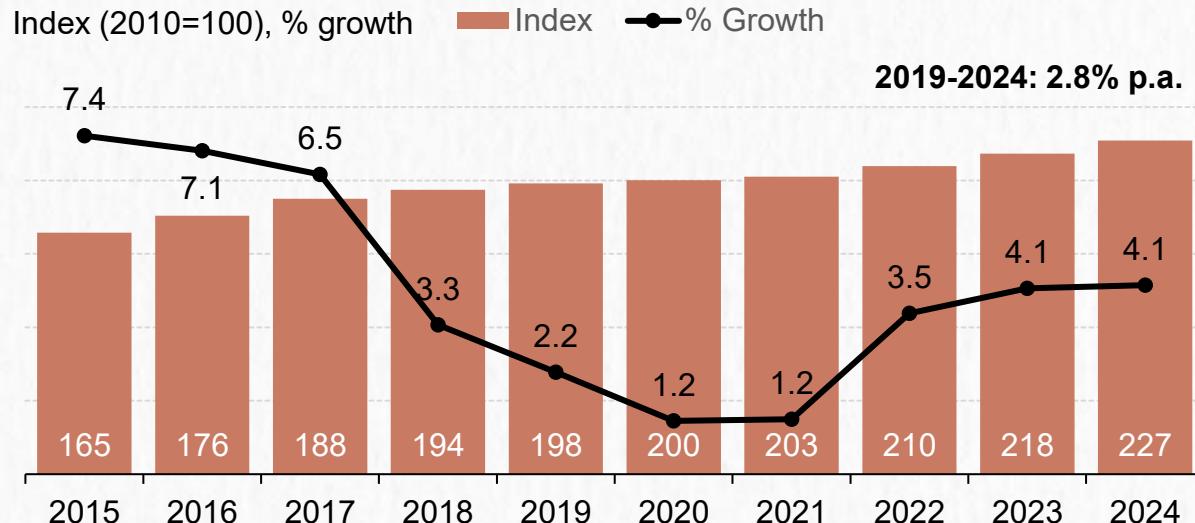
Population

Million, % growth



House Price Index

Index (2010=100), % growth



Household's profile

Monthly median



Disposable income

RM5,999 (+3.2% p.a.) in 2024

RM5,116 in 2019



Expenditure

RM4,758 (+5.3% p.a.) in 2024

RM3,683 in 2019

Ownership of occupied living quarters and average household size (2024 vs 2019)

%	Malaysia	Urban	Rural
Owned	78.0 vs 76.9	75.0 vs 74.5	88.5 vs 86.4
Rented	19.7 vs 19.8	23.1 vs 22.8	7.6 vs 7.7
Quarters	2.4 vs 3.3	1.9 vs 2.7	3.9 vs 5.9
Avg. Household Size	3.7 vs 3.9	3.6 vs 3.8	3.9 vs 4.1

Employees' salaries & wages

Monthly median

RM2,442

2019

RM2,793

2024

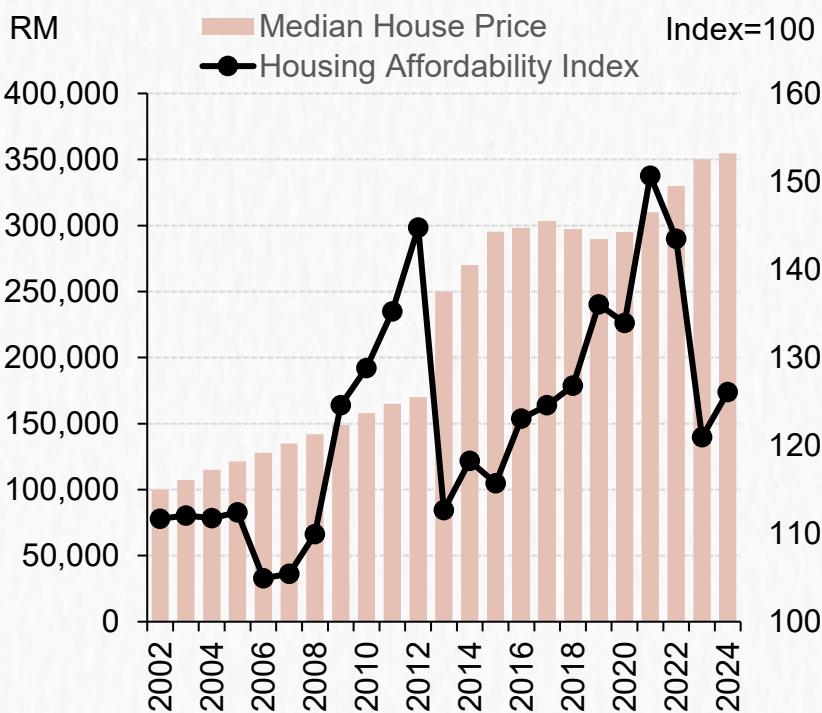
+2.7% p.a.

Housing affordability is a persistent and significant issue for low-income households

Housing Affordability Index (HAI) of B40 households has persistently stayed below 100

-- facing a structural, rather than temporary, exclusion from private housing market, with median house prices significantly outpacing income growth. Targeted state-led housing and financing interventions to address acute housing shortages, reduce the cost of affordable housing, and improve access to homeownership for low-to-middle-income groups.

Median house price vs Housing Affordability Index (HAI)



Top and Bottom 3 by Average HAI

Average (2015-2024)

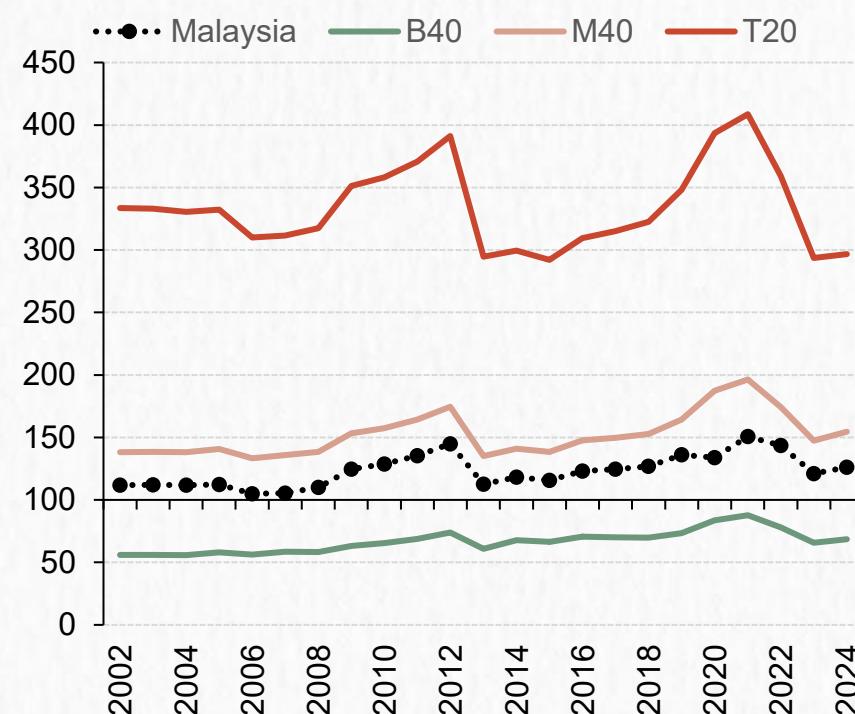
	HAI
Top	
1 Melaka	188.75
2 Labuan	144.24
3 Selangor	143.87
Bottom	
14 Sarawak	104.49
15 Kelantan	103.51
16 Sabah	96.02

Red colour indicates unaffordability.

Indicators	Affordable	Unaffordable		
		Moderately	Seriously	Severely
HAI	> 100		< 100	

HAI by income group

Index = 100



Source: DOSM; NAPIC; SERC's calculation

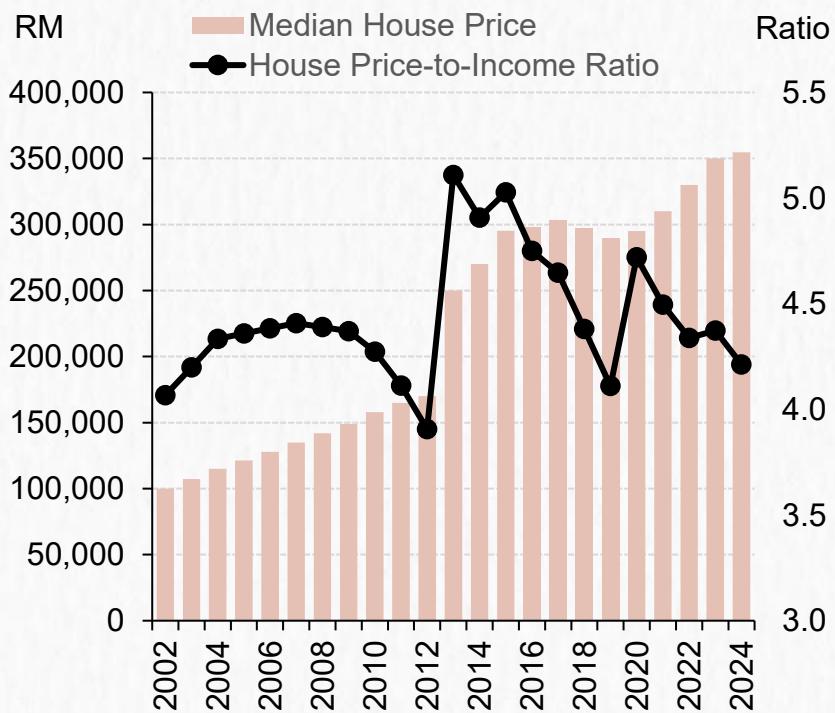
Note: Housing Affordability Index is calculated based on one publication titled "Constructing Housing Affordability Index in Malaysia".

Median house price-to-income ratio has historically exceeded 4.0, which is well above the maximum "affordable" threshold of 3.0

House price-to-income ratios in Malaysia remain elevated, largely hovering within the "seriously and severely unaffordable" range. The market has experienced a structural mismatch where price appreciation has consistently outpaced income growth.

Indicators	Affordable	Unaffordable		
		Moderately	Seriously	Severely
House Price-to-Income Ratio	< 3.0	3.1 - 4.0	4.1 - 5.0	> 5.0

Median house price vs House Price-to-Income Ratio

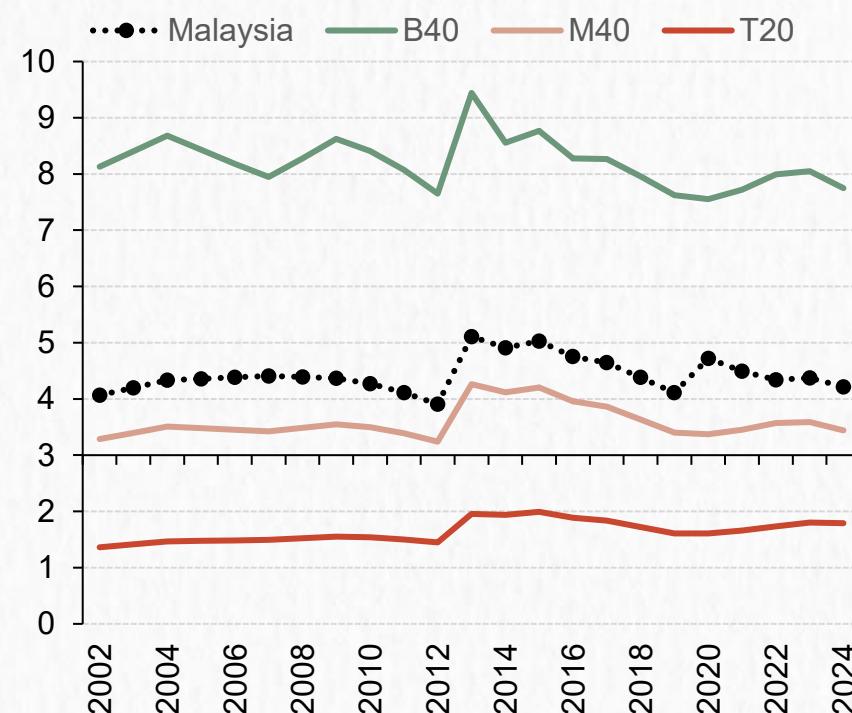


Top and Bottom 3 by Average House Price-to-Income Ratio

Average (2015-2024)	Ratio
Top	
1 Melaka	3.1
2 Labuan	4.1
3 Selangor	4.1
Bottom	
14 Sarawak	5.7
15 Kelantan	5.7
16 Sabah	6.1

Red colours indicate unaffordability.

House Price-to-Income Ratio by income group

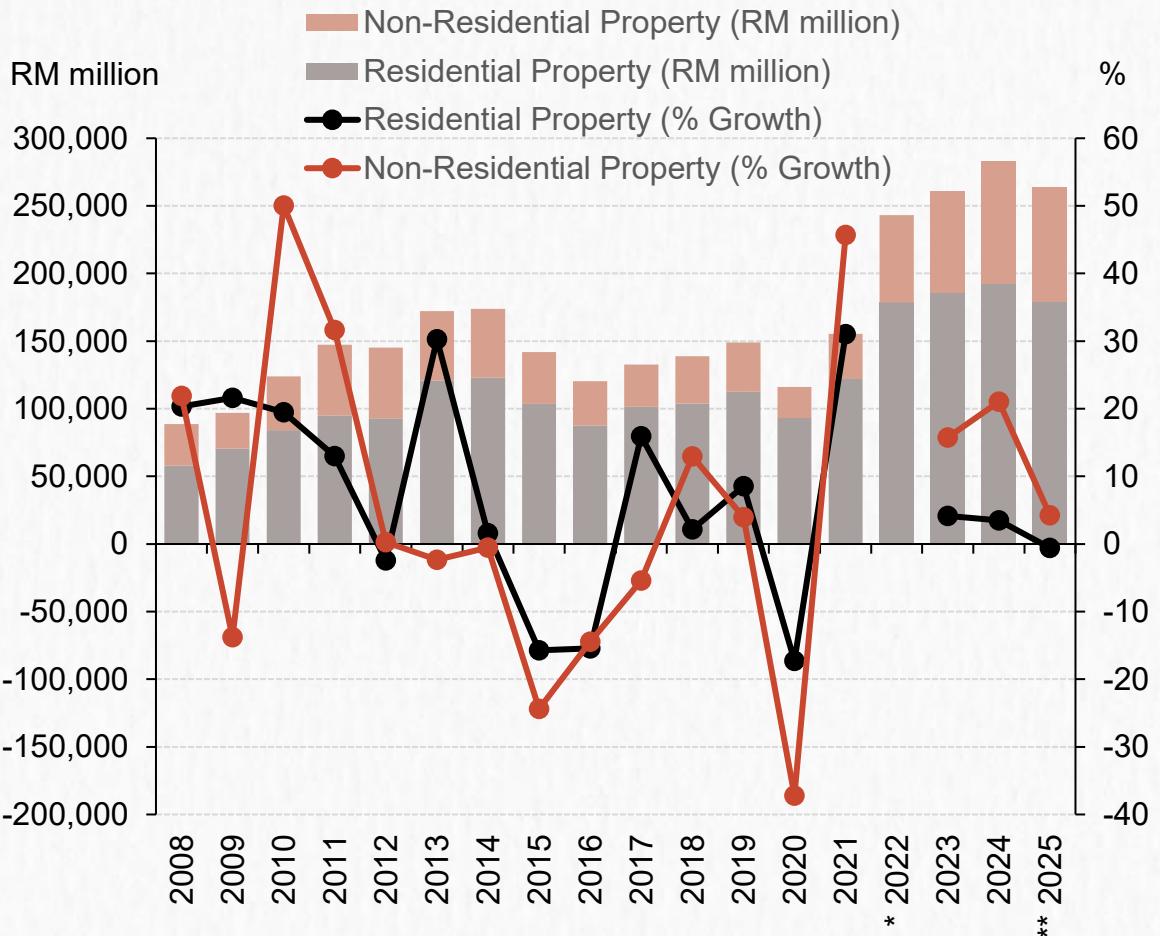


Source: DOSM; NAPIC; SERC's calculation

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Continued demand but at a slower, more moderate pace

Loan approved for residential and non-residential properties

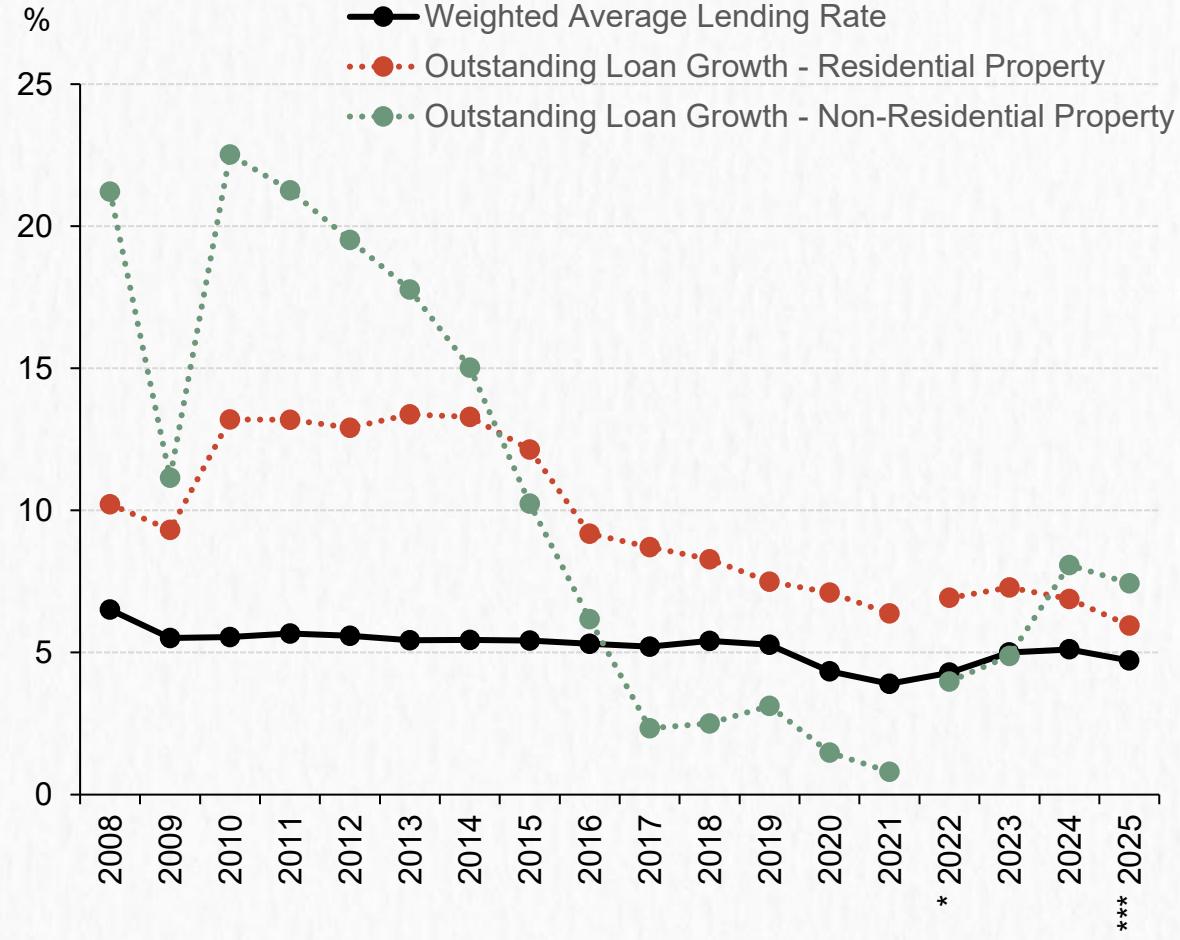


* Percentage growth for 2022 is not available due to a revision in BNM's data methodology.

** Loan approvals for 2025 reflect the cumulative total from Jan to Nov 2025.

Source: Bank of Negara Malaysia (BNM)

Weighted average lending rate and outstanding loan growth





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