



**Socio-Economic  
Research Centre**  
社会经济研究中心

# **Property Market Outlook 2026**

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

**Lee Heng Guie**  
Executive Director

**29 January**  
**2026**

## 2026 Malaysia GDP Outlook:

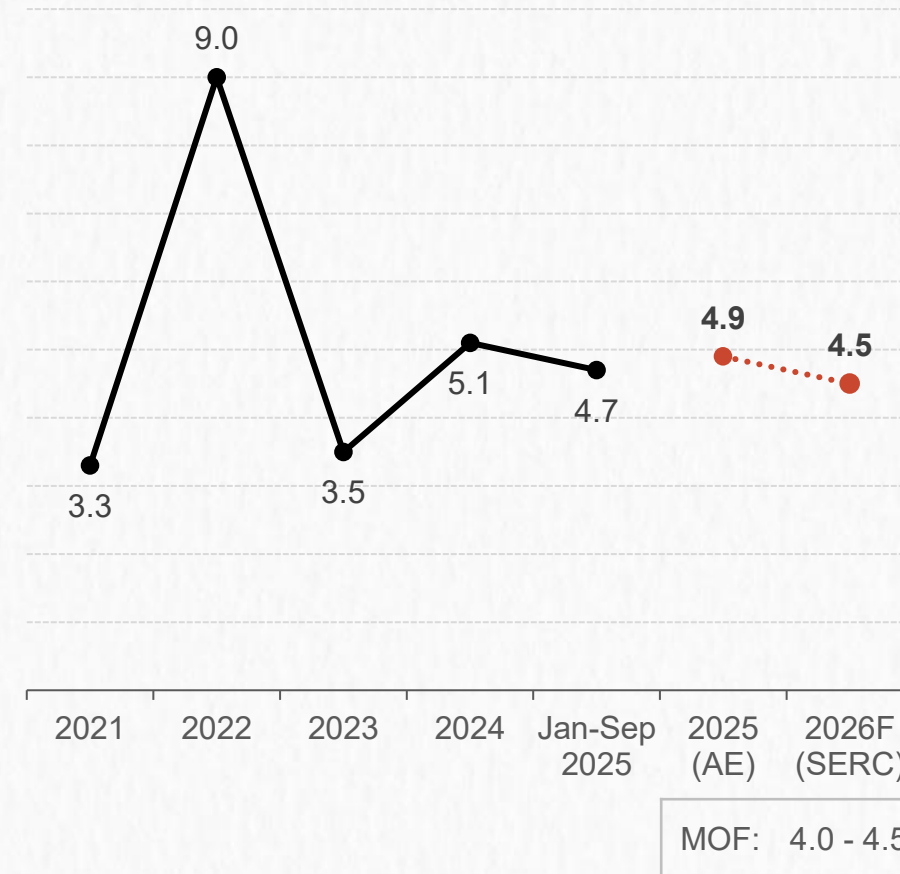
Moderated but remains resilient fundamentally

Domestic demand is calling the shots

Exports remain a wild card

### 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

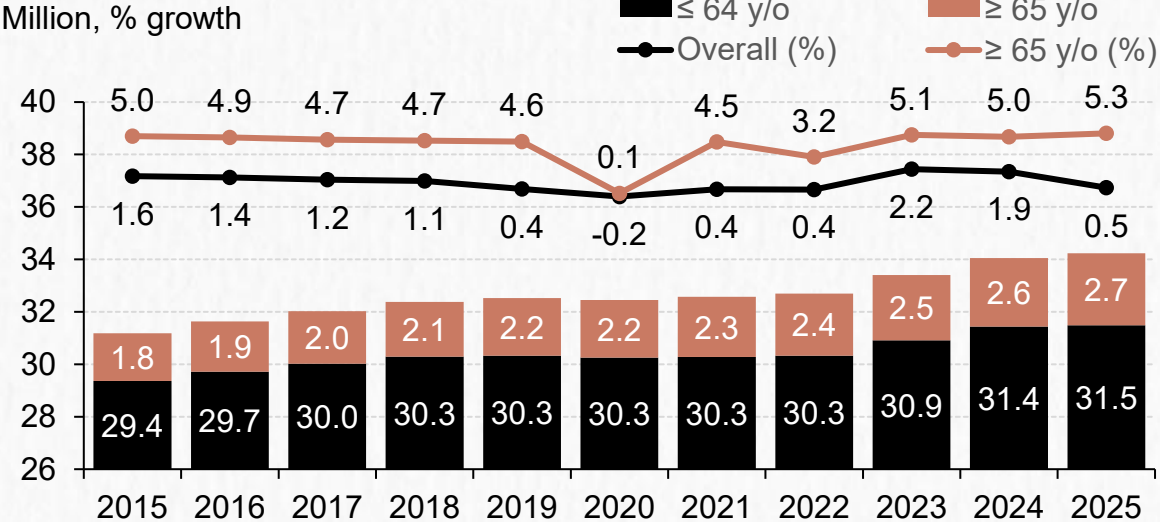
- A full impact of tariffs or further tariffs on global growth and trade
- A renewal in AI boom
- “Payback” period for exports sharper than expected
- Delays in implementation of projects
- Prolonged uncertainties and increasing business costs weaken investment sentiment

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

# Housing affordability pressures persist amid demographic shifts

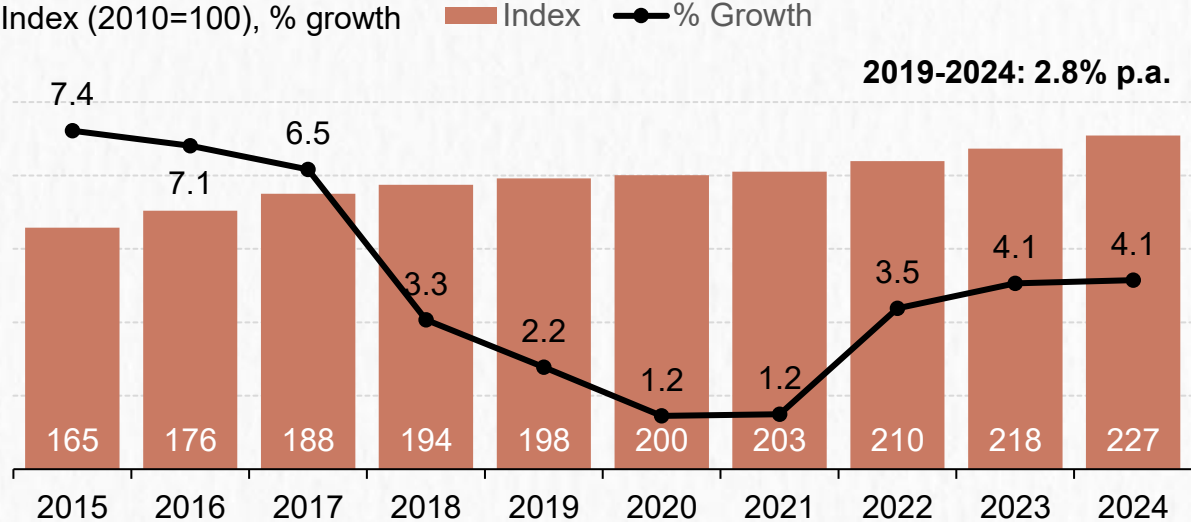
## Population

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

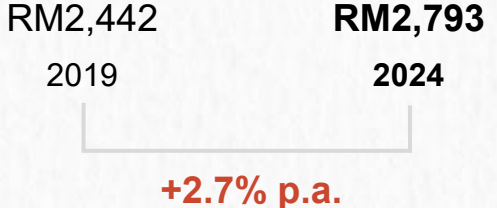
RM4,758 (+5.3% p.a.) in 2024  
RM3,683 in 2019

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

%	Malaysia	Urban	Rural
Owned	78.0 vs 76.9 <span style="color: green;">↑</span>	75.0 vs 74.5 <span style="color: green;">↑</span>	88.5 vs 86.4 <span style="color: green;">↑</span>
Rented	19.7 vs 19.8 <span style="color: red;">↓</span>	23.1 vs 22.8 <span style="color: green;">↑</span>	7.6 vs 7.7 <span style="color: red;">↓</span>
Quarters	2.4 vs 3.3 <span style="color: red;">↓</span>	1.9 vs 2.7 <span style="color: red;">↓</span>	3.9 vs 5.9 <span style="color: red;">↓</span>
Avg. Household Size	3.7 vs 3.9 <span style="color: red;">↓</span>	3.6 vs 3.8 <span style="color: red;">↓</span>	3.9 vs 4.1 <span style="color: red;">↓</span>

## Employees' salaries & wages

Monthly median

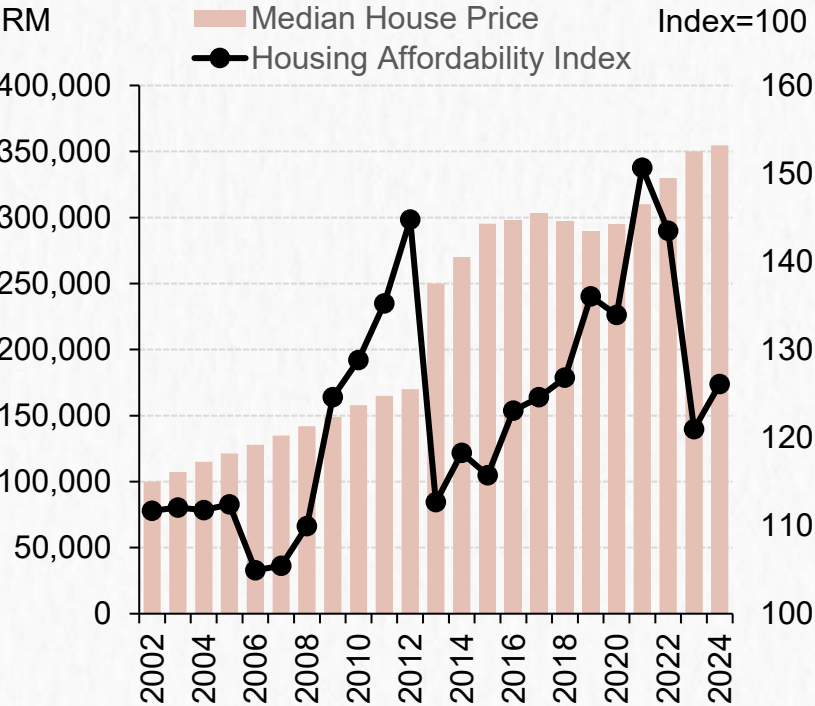


# Housing affordability is a persistent and significant issue for low-income households

**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.

Indicators	Affordable	Unaffordable		
		Moderately	Seriously	Severely
HAI	> 100	< 100		

## Median house price vs Housing Affordability Index (HAI)

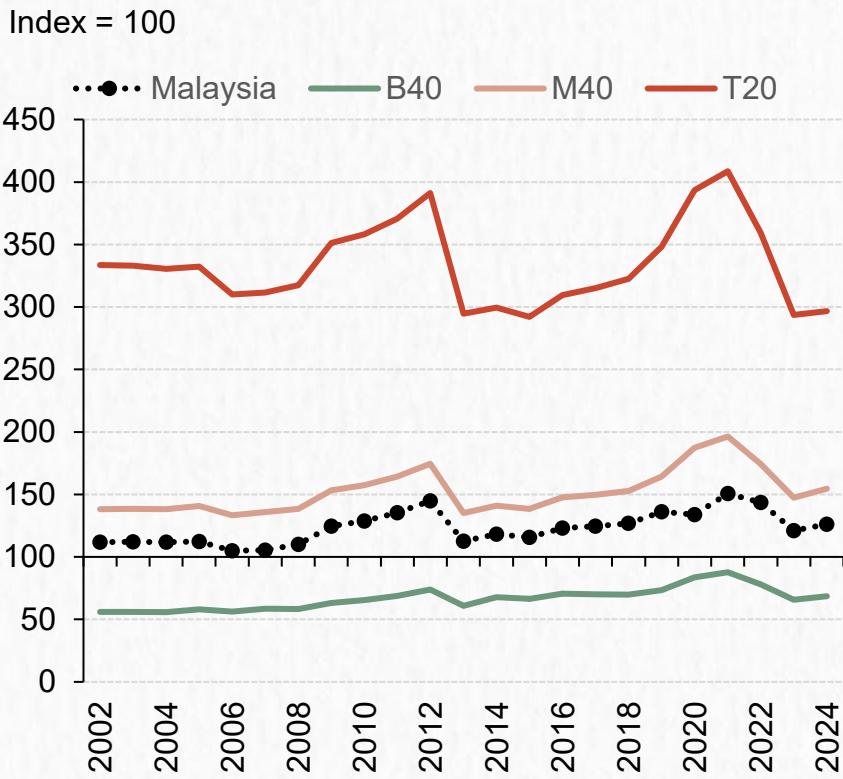


## Top and Bottom 3 by Average HAI



Red colour indicates unaffordability.

## HAI by income group



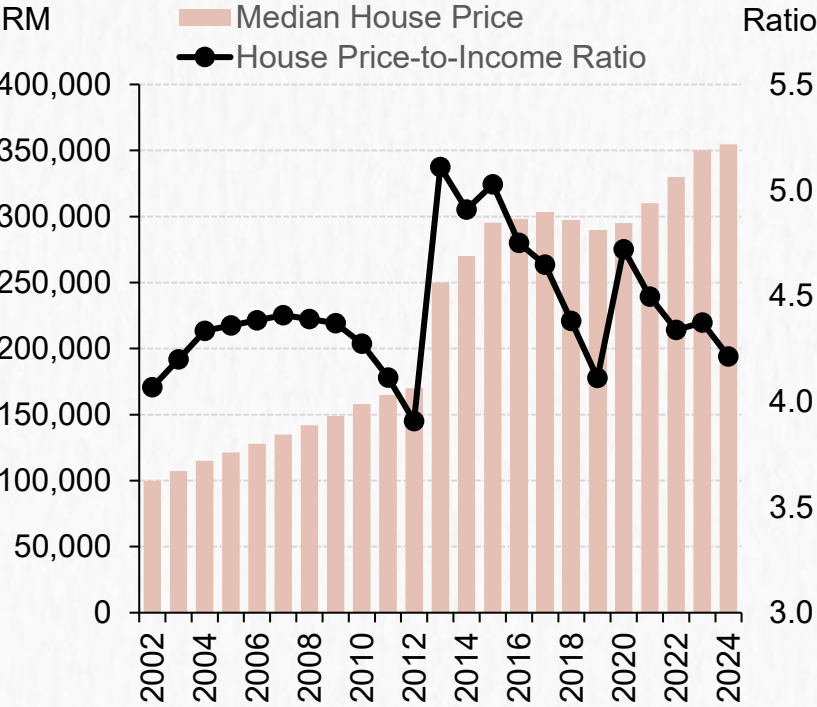
Source: DOSM; NAPIC; SERC's calculation Note: Housing Affordability Index is calculated based on one publication titled "Constructing Housing Affordability Index in Malaysia."

# 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.

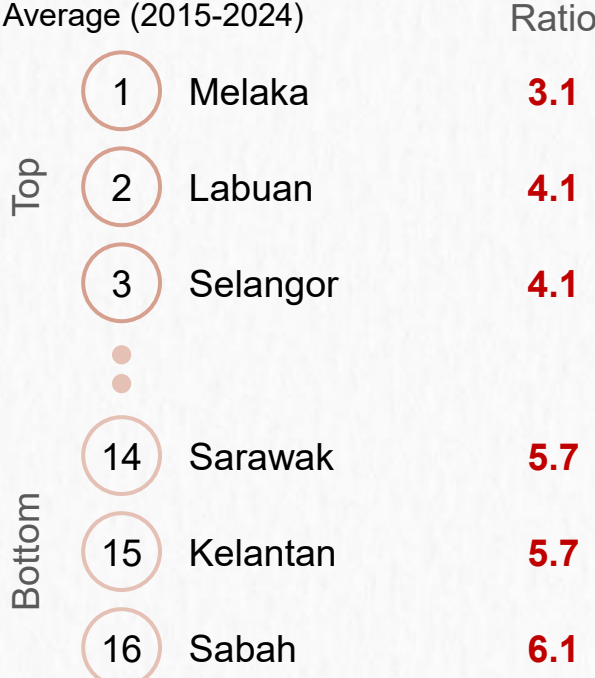
Indicators	Affordable	Unaffordable		
		Moderately	Seriously	Severely
House Price-to-Income Ratio	< 3.0	3.1 - 4.0	4.1 - 5.0	> 5.0

## Median house price vs House Price-to-Income Ratio



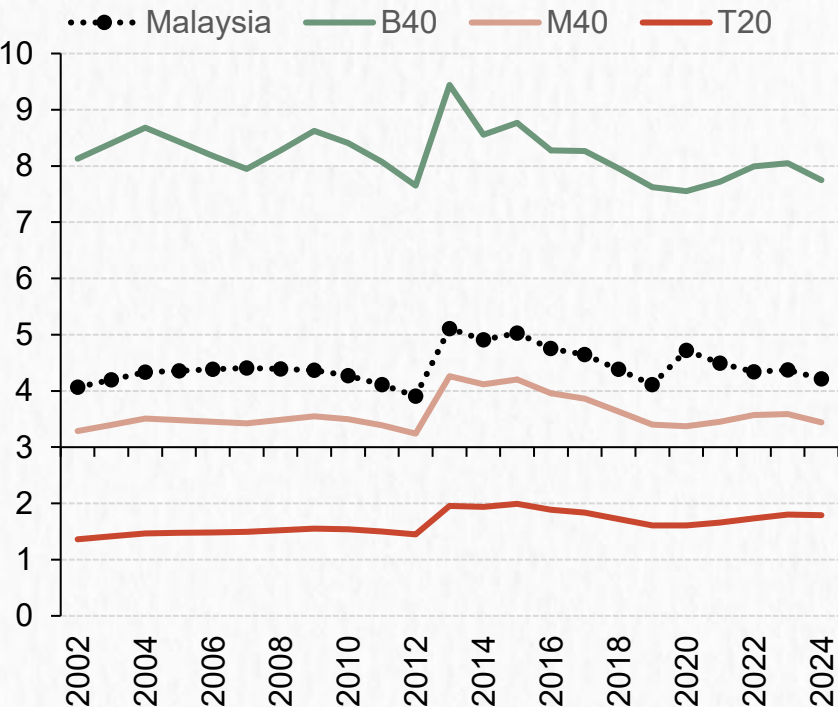
Source: DOSM; NAPIC; SERC's calculation

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



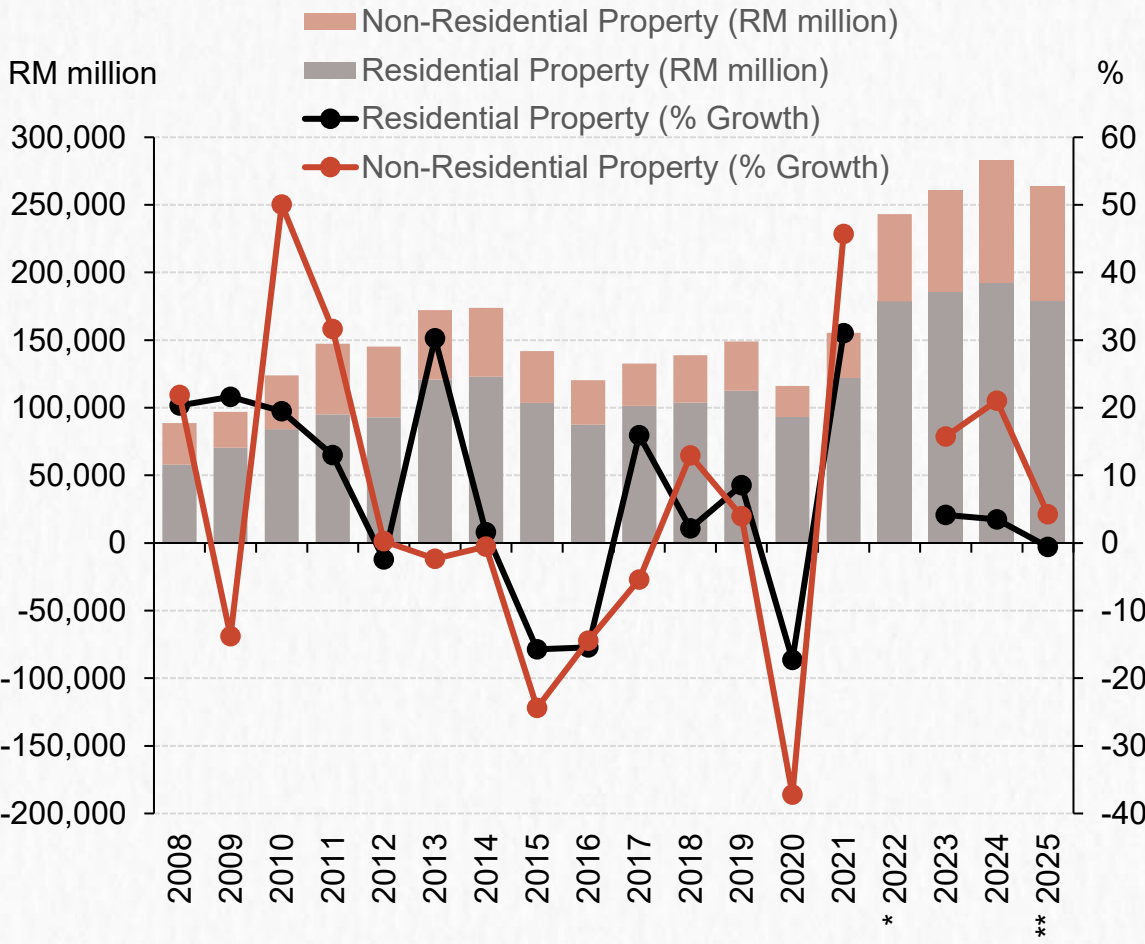
Red colours indicate unaffordability.

## House Price-to-Income Ratio by income group



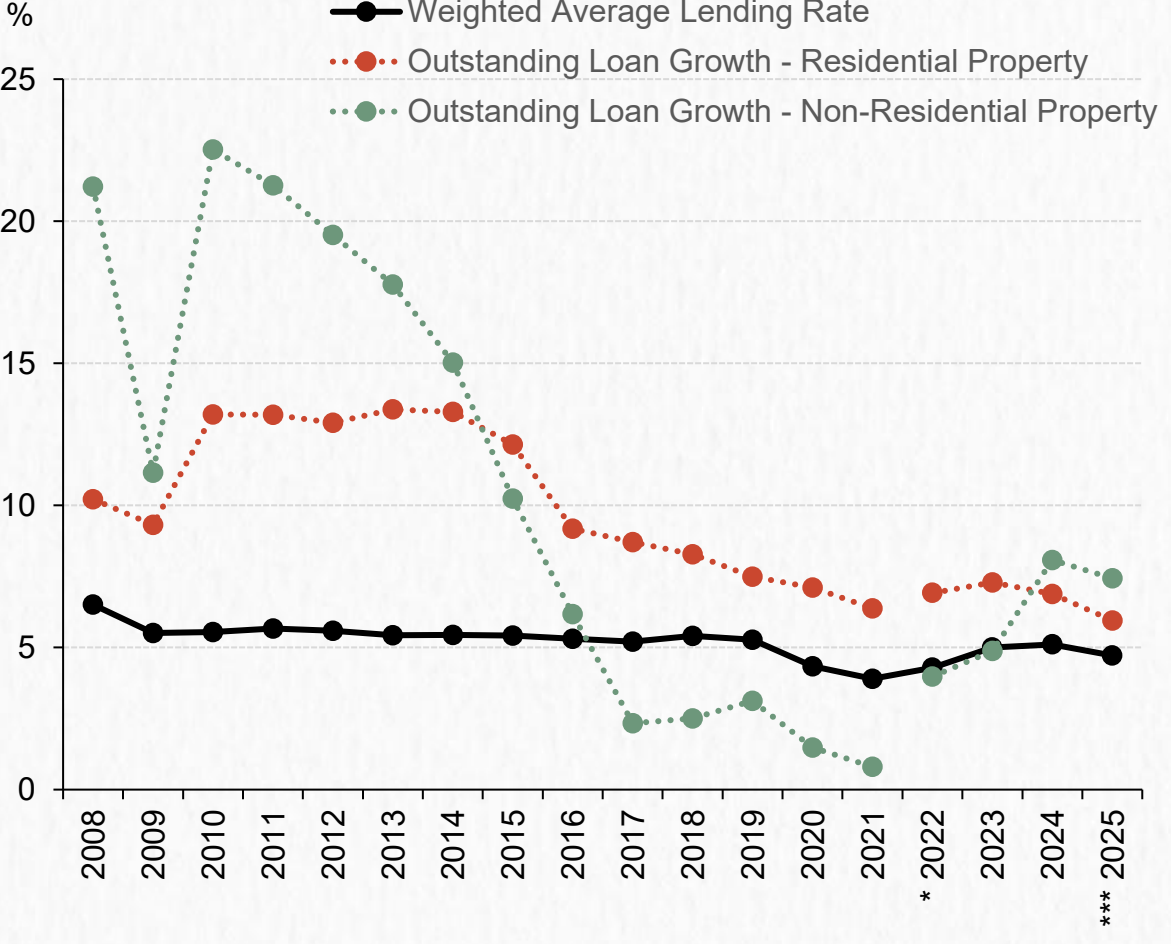
# Continued demand but at a slower, more moderate pace

### 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



\*\*\* The weighted average lending rate for 2025 is based on Nov 2025 data, while outstanding loan growth reflects the cumulative period from Jan to Nov 2025.

# THANK YOU

Address : 6<sup>th</sup> Floor, Wisma Chinese Chamber,  
258, Jalan Ampang,  
50450 Kuala Lumpur, Malaysia.

Tel : 603 - 4260 3116 / 3119

Email : [serc@accimserc.com](mailto:serc@accimserc.com)

Website : <https://www.accimserc.com>

SERC is an independent, non-profit think tank under ACCCIM that conducts in-depth research on economic, business, and social issues, with the aim of informing policy-making and enhancing public understanding of Malaysia's socioeconomic development.



Socio-Economic  
Research Centre  
社会经济研究中心

