

PROPERTY

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PETALING JAYA: Real estate experts expect the residential property market to grow moderately in the second quarter of financial year 2025 (2Q25), on the back of sustained domestic demand, positive government support and ongoing infrastructure developments.

Zerin Properties chief executive officer Previn Singhe said he expects “measured growth” in 2Q25 across both transaction volume and value of properties.

“This will be supported by an active launch pipeline, stable monetary policy and ongoing recognition of sales via progress billings, although the market will likely remain segmented and performance will vary based on product positioning,” he told *StarBiz*.

According to the National Property Information Centre, new residential launches more than doubled to 12,498 units in 1Q25 from 5,585 units a year earlier. However, sales performance remained modest at 10.8% (or 1,351 units).

Previn said he anticipates volume recovery from a low base.

“Following a seasonally soft 1Q25, transaction activity is expected to pick up.

“We anticipate a quarter-on-quarter rebound of 5% to 10% in transaction volume, largely driven by improved sales conversion from late-2024 and 1Q25 launches.”

Previn also said he expects to see sustained buyer interest, going forward.

“The 15.3% month-on-month increase in loan applications in March 2025, following a 6.1% rise in February, reflects sustained buyer interest that will translate into transactions provided affordability and product-market alignment are effectively addressed.”

Moderate growth seen for industry in 2Q25

Transaction activity expected to pick up moving forward

“The 15.3% month-on-month increase in loan applications in March 2025, following a 6.1% rise in February, reflects sustained buyer interest that will translate into transactions provided affordability and product-market alignment are effectively addressed.”

Previn Singhe

Savills Malaysia Sdn Bhd group managing director Datuk Paul Khong meanwhile said he expects to see the market remain active in 2Q25 and the rest of 2025, supported by steady employment, ongoing infrastructure developments, government support and developer incentives.

“The property transaction volume and value may continue to hold well in key markets such as Greater Kuala Lumpur, Penang and Iskandar Malaysia.

“The price range of the property is likely to focus on RM400,000 to RM800,000, supported by first-time buyers and upgraders.”

Khong also noted that banks are expected to continue supporting the property

market with ample liquidity.

“It should be noted that Bank Negara cut the statutory reserve requirement from 2% to 1% effective May 16, 2025, releasing RM19bil in liquidity into the banking system.

“We also see competitive mortgage offerings, particularly for owner-occupiers and first-time buyers.”

Additionally, Khong said innovative products (especially lifestyle-focused, community-centric and transit-oriented developments) and sales marketing incentives (including flexible financing and rebates) from developers will also support the transaction volume.

Meanwhile, Olive Property Consultants

chief executive officer Samuel Tan believes that the local residential property market is anticipated to record moderate growth in both transaction volume and value in 2Q25..

“We believe that continued interest in landed residential properties remains a major driver, particularly in suburban and emerging townships.

“Additionally, initiatives such as the Housing Credit Guarantee Scheme and tax reliefs for first-time homebuyers are expected to improve affordability and encourage homeownership.”

Olive Tree Property Consultants executive director Tan Wee Tiam meanwhile said the Madani Deposit is a good initiative to help the initial capital for the first time house buyers.

“Furthermore, major projects like the Johor-Singapore Rapid Transit System Link and the East Coast Rail Link are enhancing regional connectivity, which in turn supports property value appreciation in surrounding corridors.”

Wee Tiam also noted that the proposed Western Coastal Highway, when confirmed, will also spur more development along the western side of Peninsular Malaysia.

“Any positive news on the Kuala Lumpur-Singapore high-speed rail will give a push impetus for lands around the proposed stations,” he said.