Stabilising foundations for 2026

Rehda charts a sustainable path for Malaysian property

Contributed by **DATUK HO HON SANG**

The Malaysian property market is poised for a phase of stable and sustainable expansion in 2026, driven primarily by an ambitious government agenda focused on infrastructure development and critical housing reforms. This forward-looking assessment, delivered by Real Estate and Housing Developers' Association (Rehda) president Datuk Ho Hon Sang, outlined a trajectory designed to meet genuine market demand while effectively curtailing speculative activity.

While the overall market outlook is positive, the industry is managing a period of necessary adjustment following a slowdown in the first half of 2025. This measured approach sets the stage for healthier, more organic growth in the coming year.

The performance metrics from 2025 indicated a conscious scaling back of new inventory. According to the Rehda Property Industry Survey 1H 2025, the number of units launched decreased significantly to 12,938 units during the period under review, marking a 26% drop compared to the 17,404 units introduced in the second half of 2024.

This moderation in supply naturally impacted sales velocity. The overall take-up rate for the period stood at 24%, equating to 3,125 units sold, a considerable decline from the 55% take-up rate (9,487 units) reported in 2H 2024. These findings align with data from the National Property Information Centre (Napic), which noted a similar downward trend in 3Q 2025, reporting 11,533 residential units launched and only 1,610 units sold.

This strategic tapering in launches is a necessary step towards market stabilisation. The goal is to cultivate a market environment that prioritises and breeds genuine demand, effectively eliminating speculative excess and building a foundation for more resilient growth in 2026.

Datuk Ho Hon Sang
President
Real Estate and Housing Developers' Association (Rehda)

Policy tailwinds: Government's affordability mandate

The expectation of stable growth is strongly underpinned by the government's reinforced policy commitment to housing accessibility and affordability, a focus cemented by the 13th Malaysian Plan and Budget 2026 announcements. These initiatives demonstrate committed efforts to elevate the national homeownership agenda and foster a robust housing industry.

A core component is the ambitious target outlined in the 13th Malaysian Plan to complete 500,000 affordable housing units by 2030. Supplementing this supply-side commitment, Budget 2026 introduced crucial financial incentives, including the extension of the stamp duty exemption for memorandum of transfers and loan agreements for homes priced up to RM500,000 for an additional two years, now until December 2027.

Furthermore, the Youth Housing Financing Scheme, managed by the Public Sector Home Financing Board, has been extended and financing limits increased to up to RM1mil. These measures are designed to provide essential financial relief and support for both first-time buyers and the younger generation entering the property market. These policy efforts will be further strengthened by the announced MADANI Housing Reforms, scheduled for implementation in January 2026, which promise to standardise and streamline housing sector regulations.

Infrastructure: Catalyst for regional demand

The most significant driver shaping Rehda's positive outlook for 2026 is the pipeline of mega infrastructure projects that are set to redefine economic and residential geography across the nation.

Johor is predicted to be a primary beneficiary, anticipating intense demand driven by interconnected connectivity projects. The upcoming Johor Bahru – Singapore Rapid Transit System (RTS), the establishment of the Johor-Singapore Special Economic Zone (JS-SEZ) and the development of the Johor Bahru Elevated Autonomous Rapid Transit (e-ART) System collectively promise unprecedented economic activity and heightened connectivity in Johor Bahru and its surrounding areas. This concentration of investment and improved accessibility is expected to fuel substantial demand across property sectors.

Similarly, Penang is projected to experience renewed growth momentum with projects such as the LRT Laluan Mutiara and the Juru-Sungai Dua Elevated Highway fostering transit-oriented developments (TODs) along their routes. Nationally, the progress of the East Coast Rail Link (ECRL) and the anticipated MRT3 projects are expected to act as critical catalysts, stimulating further growth in the respective corridors.

Given this robust infrastructure landscape, Rehda opined that both landed residential properties and industrial developments are segments that will be in particularly high demand from next year onward, capitalising on improved logistics and population mobility.

Future-proofing: ESG and urban renewal

Looking beyond immediate market performance, Rehda foresees a structural shift towards sustainable development, positioning the industry for long-term resilience. The housing market is predicted to place a higher emphasis on ESG compliance and sustainable-centric methods that offer holistic benefits to all stakeholders.

Reflecting this internal commitment, Rehda established its own ESG Committee this year, aiming to ensure that the Association and its members actively contribute to national ESG commitments, in line with their slogan Towards Sustainable Development.

Parallel to this is the increasing focus on urban renewal. Rehda supports the implementation of the proposed Urban Renewal Act, noting its undeniable importance for maintaining the safety and liveability of cities for current and future generations. This is substantiated by proactive regional initiatives, such as the recent announcement by the Menteri Besar of Selangor regarding the State's plan to redevelop housing more than 50 years old to ensure Selangor remains a dynamic and liveable state.

Cautious optimism and regulatory engagement

Despite the many positive indicators, Rehda maintains a posture of cautious optimism, particularly regarding certain newly announced initiatives that raise concerns requiring further deliberation.

One such initiative is the announcement during Budget 2026 to increase the stamp duty for foreign residential ownership from the current 4% to 8%. Such a substantial hike in costs could potentially deter foreign investment and must be carefully managed to avoid unintended repercussions on the high-end property segment.

Another source of necessary engagement is the impending Real Property Development Act, which is set to replace the current Housing Development Act. While part of the necessary MADANI Housing Reforms, the inclusion of commercial developments within its regulatory scope introduces uncertainties. Rehda is committed to continuing its engagements with the Government to discuss these trepidations and to deliberate on methods for the association and its members to contribute seamlessly to the nation's growth while navigating these new regulatory frameworks.

In closing, Rehda is steadfast in its role to encourage its members to uphold their commitment to nation-building by delivering quality, affordable homes for the rakyat in a timely and sustainable manner, ensuring the sector remains a key engine of national development.