

New ruling likely to affect owners of sizeable land

Active land-sale strategies may also be impacted

PROPERTY

PETALING JAYA: Selected listed government-linked company (GLC)-related landowners with sizeable land banks and active land sale strategies may be impacted by a new government ruling requiring potential buyers to meet bumiputra equity participation thresholds.

Maybank Investment Bank (Maybank IB) Research, in a note, told clients that given the sudden notice, there could be an impact on these companies.

For instance, S P Setia Bhd had proposed to sell 275 acres of land in Semenyih for RM274mil to Mah Sing Group Bhd in early November 2025, with the sale currently pending an approval of the Economic Planning Unit.

“Meanwhile, we understand that UEM Sunrise Bhd has been in discussions with investors regarding its Gerbang Nusajaya land bank,” it said.

The research house also pointed out that the Finance Ministry had introduced revised property disposal guidelines for government-linked investment companies (GLICs) such as Permodalan Nasional Bhd and the Employees Provident Fund as well as GLCs covering disposals of properties valued at RM20mil or more, requiring potential buyers to meet bumiputra equity participation thresholds of 50% from 30%.

The aim is to align disposals with national socio-economic objectives and the bumiputra agenda.

While industrial properties are included under the revised guidelines, transactions may be exempted if the buyer has secured a manufacturing licence from the Investment, Trade and Industry Ministry to develop the land, it said citing information

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Maybank Investment Bank Research

from a local news media outlet.

The research house noted in its report that while the updated guideline came into effect on Nov 18, 2025, the news report suggested the implications might not have been fully appreciated by the market previously.

Maybank IB Research said tighter criteria for GLC/GLIC asset disposals might modestly narrow the buyer pool, but could also encourage more structured development partnerships similar to the Eco World Development Group Bhd-SD Guthrie Bhd-Permodalan Darul Ta'zim Sdn Bhd Eco Business Park 8 Sdn Bhd (EPB8) joint venture in Kulai, Johor.

Concerns that reduced competition may pressure disposal values are not conclusive, as the EPB8 land sale at RM20 per sq ft was a record for the area, it added.

It said the revised guidelines could dampen near-term property sector sentiment as the ruling might narrow the eligible buyer pool, potentially affecting realised valuations and slowing asset divestments or monetisation plans.

It also said the rules could slow some divestments and add complexity to monetisation and capital recycling in the near term.

“But we believe clearer policy visibility and early planning should help mitigate execution risks.

“Overall, the policy supports inclusivity

and long-term equity participation, with some short-term friction to asset recycling,” it said.

Maybank IB Research has kept its “neutral” call on the property sector.

It said risks to its calls included weaker-than-expected property sales dragged by a weaker economic outlook, policy factors, stricter lending measures by the banks and higher-than-expected Liquidated Ascertained Damages or LAD compensation following the latest ruling by the Federal Court.

Rising operational costs due to the sales and service tax and higher building material and transportation costs as well as labour issues were also risks to its current call, it added.

Meanwhile, another property analyst told *StarBiz* that with the change in requirement, the property sector would face some challenges, at least in the short-term.

“Now that the bumiputra equity participation threshold is increased to 50% from 30%, there will be fewer eligible bidders, and with fewer bidders, there may be some pricing pressure for the landowners as competition will be reduced.

“However, if the land is strategic, then demand may still remain strong and there may not be so much price pressure,” he said.