

Stable and defensive market

Real estate industry remains fundamentally sound despite the Iran conflict, with the industrial and logistics segments set to lead



PROPERTY

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PETALING JAYA: The property market remains broadly attractive to investors despite prevailing geopolitical uncertainties, say experts.

However, they have cautioned that the ongoing conflict in the Middle East has introduced additional layers of risk that warrant a more selective and disciplined investment approach.

Zerin Properties chief executive officer Previn Singhe said Malaysia's property market remains fundamentally resilient despite the Iran conflict.

"The sector continues to be driven by domestic fundamentals such as population growth, urbanisation, infrastructure development and genuine end-user demand.

"Unless the conflict escalates significantly, I do not see a broad-based weakening of the market," he told *StarBiz*.

Previn points out that periods of global uncertainty tend to actually "reinforce the appeal of real assets", adding that Malaysia remains a relatively stable and defensive market in the region.

"The bright spots remain clear. Industrial and logistics will continue to lead, supported by supply chain diversification, manufacturing activity and demand for modern facilities.



"Malaysia is currently in a unique position. It is an oil-exporting nation, which provides a fiscal cushion that many of its neighbours lack."

Samuel Tan

"Data centres and tech-related assets are emerging as a structural growth pillar, largely insulated from external shocks."

For the residential sector, Previn said the mid-market segment will remain "the most resilient". "These will be well-located homes and high-rise units within mature urban and suburban areas with good connectivity, especially those within integrated developments.

"This is where genuine owner occupier demand sits, providing stability to the broader market. In contrast, higher-end segments remain more sensitive to sentiment and liquidity."

Prime offices, selected retail and mixed-use developments in established urban corridors should also remain stable, said Previn, while healthcare and education

related assets will continue to offer defensive characteristics.

"From an investment standpoint, the approach remains the same; stay selective, focus on sectors with structural demand, and take a long-term view," he said.

Olive Tree Property Consultants founder and chief executive officer Samuel Tan said the ongoing Middle East conflict presents "a complex landscape" for the Malaysian property market.

While geographically distant, the economic "ripple effects" are significant. The impact is characterised by a "wait-and-see" sentiment, rather than a total collapse.

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Tan believes that the residential sector is anticipated to have a short-term cooling period in transaction volume.

"High-end and luxury segments (often reliant on foreign or high-net-worth investors) may see a temporary freeze as the cautious sentiment prevails.

"However, the mid-tier market (RM300,000 to RM700,000) remains supported by domestic demand and stable employment."

Tan, meanwhile, said the commercial and industrial sectors continue to be bright spots for the local property market.

"Malaysia's data centre boom and industrial growth is expected to remain resilient.

"Logistics and industrial properties may actually see increased interest as companies look for stable 'neutral' hubs outside of the immediate conflict zones."

Tan said the biggest risk will be "imported inflation". "If oil prices remain elevated, construction costs (steel, cement, transport) will rise."

An analyst said elevated global oil prices will translate into higher construction and material costs, potentially compressing developer margins and delaying project timelines.

"In parallel, heightened macroeconomic uncertainty may exert downward pressure on the ringgit, dampen investor sentiment and tighten financing conditions.

"These factors could, in turn, moderate