

# BUSINESS TIMES



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## PROPERTY MARKET SLOWS

NEARLY 90,000 transactions worth over RM51 billion were recorded in the first quarter amid cautious sentiment. Transaction volume fell eight per cent year-on-year, and value slipped 0.6 per cent. » REPORT BY **DHAANIEYAA LEKHAM** ON PAGES 4 & 5

# PROPERTY SECTOR EASES IN Q1

Residential sub-sector remains the key driver, with average house price at RM507,533

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THE property market slowed in the first quarter, recording nearly 90,000 transactions worth more than RM51 billion amid cautious sentiment and economic uncertainty.

According to the Valuation and Property Services Department (JPPH), transaction volume fell eight per cent year-on-year, while transaction value slipped marginally 0.6 per cent compared with the first quarter of 2025.

JPPH director-general Abdul Razak Yusak expects the property sector to continue reflecting a cautious environment influenced by global uncertainties, including tensions in the Middle East.

Nevertheless, he said measures under the 2026 Budget and the Madani Economy framework, including targeted cash assistance, inflation controls and infrastructure

investments, are expected to support household purchasing power and strengthen demand in the property market.

Razak said the residential sub-sector remained the key driver of the property market in the first quarter.

The segment accounted for 58.8 per cent of total transactions, with almost 53,000 deals valued at around RM22 billion.



Abdul Razak Yusak

## AFFORDABLE HOMES DOMINATE DEMAND

Homes priced at RM300,000 and below continued to make up the largest share of residential transactions.

More than half of all residential property deals fell within this category, with 27,209 units recorded during the quarter.

"Compared with the first quarter of 2025, all sub-sectors, including residential, commercial, industrial, agricultural and development land, recorded slower transactions, with declines ranging between one per cent and 10.7 per cent," Razak said during the presentation of the first quarter 2026 property market report.

Completed residential units

increased by more than 30 per cent to 12,905 units compared with 9,329 units in the same quarter last year.

Projects commencing construction across all sub-sectors declined in the first quarter of 2026. This reflects a more cautious approach among developers amid rising construction costs and economic uncertainties.

Residential construction starts fell sharply to 8,243 units from more than 28,000 units during the same period last year.

Shop and serviced apartment construction starts declined by more than 20 per cent and 40 per cent, respectively.

Despite the slowdown, planned future developments showed signs of

confidence returning to the market.

Planned residential developments rose more than 50 per cent to 12,852 units, while planned serviced apartment developments soared to 6,961 units from 4,024 units previously.

New residential launches totalled 9,112 units during the quarter, slightly lower than the more than 12,000 units launched in the first quarter of 2025, a reduced sales performance of 11.5 per cent.

## PRICES EDGE HIGHER

Meanwhile, the Malaysian House Price Index for the first quarter of 2026 recorded 235.2 points.

This translates into an average

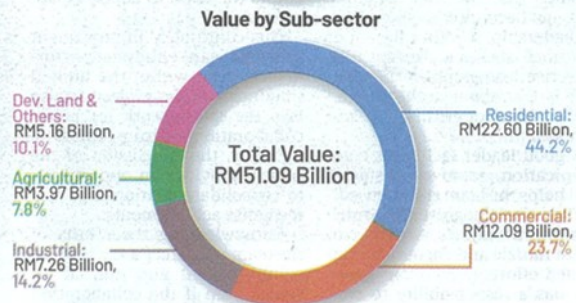
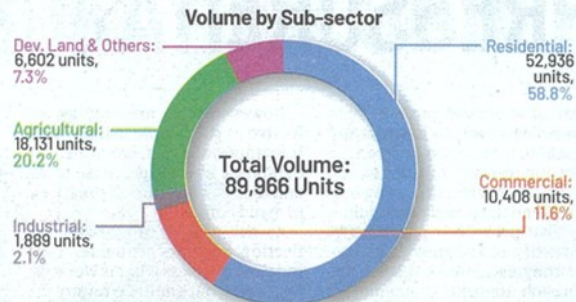
house price of RM507,533 per unit, with annual growth of 1.7 per cent.

"All states recorded moderate positive construction ranging from 0.3 to 7.2 per cent, except for Perak which remained stable. Negri Sembilan and Sabah recorded slight declines," Razak said.

On the overhang situation, he said unsold completed residential units rose 7.6 per cent quarter-on-quarter to 32,801 units worth RM16.37 billion.

The serviced apartment sub-sector recorded an increase in unsold completed units to 19,263 units worth RM16.52 billion, with nearly 60 per cent priced between RM500,000 and RM1 million.

## MARKET ACTIVITY: PROPERTY TRANSACTIONS



Source: JPPH Facebook