REHDA INSTITUTE FINDINGS

HOMEOWNERSHIP, OVERHANG ISSUES

RM300,000 'affordable' homes face demand-supply mismatch

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MALAYSIA'S largest household income group earns between RM3,000 and RM5,000 a month, pointing to a realistic affordable housing price range of about RM200,000 to RM300,000, according to Rehda Institute.

The findings highlight a widening gap between household income trends and existing housing policies, with the number of households earning RM10,000 and above monthly tripling since 2014.

Rehda Institute chairman Datuk Jeffrey Ng Tiong Lip said shifting income patterns have placed greater pressure on middle-income households.

"Today, the B40 leads the M40 in homeownership. Due recognition needs to be given to existing policies that have not created the change that we want," he said at the pre-launch of the Regional Housing Conference 2026 yesterday.

Rehda Institute unveiled a preview of its latest publication, *Housing for All: Co-Creating a Needs-Driven Framework*, which highlighted structural challenges affecting Malaysia's housing market.

The report noted that Malaysia recorded 49,223 completed but unsold residential units worth about RM33.2 billion at the end of 2025, reflecting a mismatch between housing supply and market demand.

The overhang remained significant in the first quarter of 2026, with 32,800 completed homes valued at RM16.37 billion still unsold.

Nearly half, or 15,400 units, were priced at RM300,000 and below, raising questions about conventional assumptions surrounding housing affordability.

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> **DATUK JEFFREY NG TIONG LIP**
> Rehda Institute chairman

"If even homes in the affordable price range aren't selling, then price alone can't explain the problem," said Ng.

He attributed part of the imbalance to cross-subsidisation, where open market homes fund price-controlled units, increasing prices for regular buyers, particularly those in the M40 group.

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Ng said rising prices have made homeownership increasingly difficult for M40 households, contributing to the decline in ownership within the segment.

"Housing for all means fair access. We need to make everyone be on an equal playing field."

Meanwhile, Ng added that affordability should extend beyond purchase prices to include living costs, accessibility and connectivity to employment, public services and essential amenities.

He said tackling traffic congestion requires balancing urban sprawl with greater public transport use through better integration of housing and transport planning.

"Homes located further from the city may have lower purchase prices, but truly affordable housing goes beyond the sticker price. It must include the cost of living and lifestyle in that location."