

Property Market Outlook 2026

Interview with Datuk Ar. Ezumi Harzani – 19 Feb 2026

PG: Would you characterise Malaysia's property market today as one of recovery, correction, or recalibration—and what evidence supports your view?

Ezumi: I am inclined to characterise the current scenario as recalibration rather than mere recovery or correction. This emerges from my observation of some indicators and the overall resilience in property sector in recent months.

There are strengthening confidence amongst investors, with more developers launching new projects with gradual increase in property sales. The latest statistics suggest that recent government initiatives aimed at stimulating the housing sector, coupled with attractive financing options, have given new life into the property market. These measures provide strong support for first-time buyers and encouraging developers to rethink their strategies towards more affordable housing solutions.

PG: What demographic or lifestyle trends are most influencing residential product design today?

Ezumi: In the dynamic realm of residential product design, one of the most compelling trends is the rise of multi-generational living. Families are increasingly opting for homes that accommodate multiple generations under one roof, fostering inter-generational connection. This demands innovative designs that feature adaptable spaces; flexible room layouts that can transform from parents' suite to a home office or a guest suite, allowing for both privacy and togetherness.

Dual-keys design with dedicated entrance also increasing in demand, with opportunity to sublet part of the area to young individuals leaning towards compact living (minimalism).

PG: Which single factor is currently shaping investor sentiment the most: infrastructure, policy, global capital flows, or domestic demand fundamentals?

Ezumi: I believe that infrastructure development is the single most significant factor shaping our landscape today. Vibrant communities are blossoming around newly constructed transport links and amenities; each infrastructure project serves as a catalyst for growth, enticing businesses and residents alike.

PG: Malaysia became Southeast Asia's most visited nation in 2025, outpacing Thailand. What does that mean for the real estate industry? How are international home buyers influencing price resilience or volatility in prime segments?

Ezumi: The emergence of Malaysia as Southeast Asia's most visited nation in 2025 is indeed a monumental achievement, echoing the country's relentless charm and cultural richness. Besides, it is also driven by devaluation of Malaysian ringgit in 2024 and 2025. A weaker ringgit attracts visitors and foreign investments, as international businesses see value in entering the Malaysian market.

With international tourist numbers surging, the demand for properties will inevitably increase. Foreigners, drawn by Malaysia's vibrant lifestyle and diverse attractions, are poised to invest in real estate as both a sanctuary and a lucrative asset. This influx of international home buyers is not merely a wave but a steady tide, sustaining resilience in property prices even in fluctuating market conditions. The influence of these buyers, particularly in high-demand areas such as Kuala Lumpur, Penang, and Johor Bahru, acts like a stabilising force, helping to insulate the prime segments from volatility.

PG: Stamp duty rates in Malaysia for property transfers now range from 1% to 4% (8% for foreign buyers from 2026). What will that mean for foreign buyer sentiment?

Ezumi: The tiered stamp duty system ranging from 1% to 4% for domestic buyers is a progressive move that could invigorate the local property market. It makes ownership more accessible. While the higher rate of 8% for foreign purchasers will not be felt by the foreign buyers as the Malaysian ringgit devaluation from 2022 to 2024 are more than 15% as compared to USD.

The 8% stamp duty should not deter foreign investors; instead, it can be perceived as an opportunity to engage with a market that is poised for growth. Savvy investors often look beyond immediate costs and consider

the larger picture—value appreciation, rental yield, and the overall lifestyle benefits that come with owning a property in such a diverse and welcoming nation.

PG: Which secondary cities or districts are flying under the radar but show strong fundamentals?

Ezumi: Penang for its rich tapestry of culture and history; Johor Bahru for the new state initiative (Johor-Singapore Special Economic Zone); Sabah for its new diversified industrial and energy hub policy.

PG: What are the three strongest arguments for investing in Malaysia real estate right now? Conversely, what are the biggest risks or deterrents investors should realistically consider?

Ezumi: The blend of cultural richness, economic resilience, and tranquil natural beauty makes Malaysia an appealing destination for property investment. However, while the prospects gleam brightly, it is essential to remain aware of the risks involved; market volatility, over-supply in certain areas, and political uncertainty.

PG: To what degree are legacy overhang issues still affecting pricing power today? Are financing conditions helping or hindering market momentum at present?

Ezumi: The legacy overhang issues are gradually being addressed as businesses adapt to the evolving landscape. Many developers are recognising the importance of revitalising their assets and embracing innovative strategies to enhance efficiency and market viability. As for financing conditions, there are various financing options providing facilities in bridging loan and end-financing. Lower interest rates and increased access to capital are acting as catalysts for growth.

PG: How significant is infrastructure-led demand—such as rail links or special economic zones—in shaping residential investment decisions? Which upcoming infrastructure projects are most likely to influence property values, and in which locations?

Ezumi: Infrastructure-led demand is key in shaping residential investment, acting as a catalyst for growth. The development of rail links and special economic zones tends to enhance connectivity and also create a sense of

community and facilitate economic activities, making these areas increasingly desirable places to live.

The upcoming infra-structure projects that will influence property values are:

- East Cost Rail Link (ECRL) – 665 km long high-speed train from Kota Bharu (Kelantan) to Port Klang (Selangor).
- Johor Bahru–Singapore Rapid Transit System (RTS) Link connecting Johor Bharu and Singapore.
- Johor-Singapore Special Economic Zone (JS-SEZ) – a bilateral initiative between Malaysia and Singapore to boost economic ties across border.

PG: [What is your base-case forecast for residential price movement over the next year and the next two years? What key indicators should observers watch to gauge whether the market is truly turning a corner?](#)

Ezumi: In the short term, my base-case forecast suggests a modest appreciation in residential prices over the next year. Factors such as low unemployment, sustained interest from first-time buyers, and a robust economic recovery are likely to drive demand forward. The broader economic climate with the ongoing government incentives, is fostering a sense of confidence among buyers. Over the next two years, it is anticipated that a more pronounced upward trend as market conditions stabilise and consumer sentiment strengthens.

To gauge whether the market is genuinely turning a corner, observers should keep a close eye on housing inventory levels, movements in mortgage rates, and regional economic growth.

While several variables can influence market dynamics, there are numerous reasons to be optimistic about the path ahead. The combination of economic resilience and evolving market trends points towards a positive trajectory for residential property prices.