Property

POSITIVE (Maintain)

Brighter Year Ahead

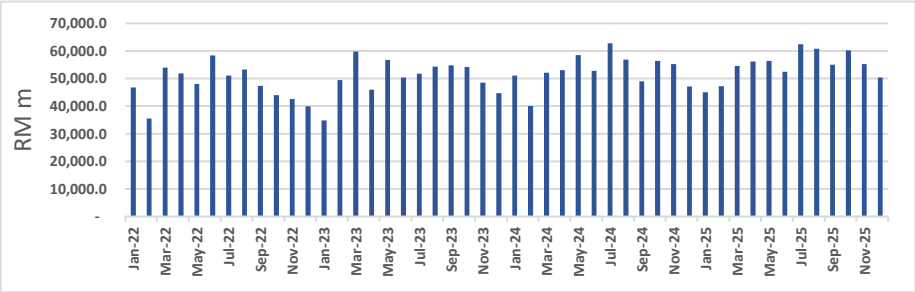
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HIGHLIGHTS

- Resilient buying interest in 2025
- Marginal growth in approved loan
- Positive earnings prospect for 4QCY25
- Maintain Positive on property sector
- Top three picks are Mah Sing Group, Matrix Concepts and UOA Development

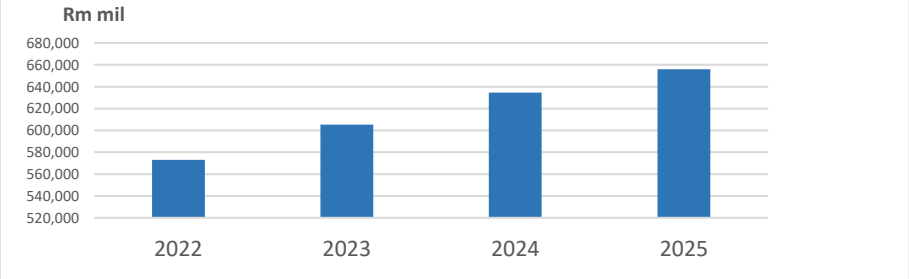
Resilient buying interest in 2025. Data released by Bank Negara Malaysia (BNM) shows that total loan application for purchase of property grew for fifth consecutive months in December 2025, increasing by +6.9%yoy to RM50.3b. On a monthly basis, total loan application in December was weaker by 9%mom which we think could be due to seasonal effect of year-end holiday in December. Cumulatively, total loan application ended 2025 on a higher note with stable loan application growth of +3.4%yoy. Loan application in 2025 remains sturdy despite loan growth of +4.9% in 2024 and +5.7% in 2023, underscoring the continuous recovery and resilient buying interest on property. Going forward, we expect marginal growth on buying interest in 2026 despite the high base in 2025 as we expect the positive outlook for the sector to support buying interest on property.

Figure 1: Monthly total applied loan



Source: BNM, MBSB Research

Figure 2: Total applied loan (2022-2025)



Source: BNM, MBSB Research

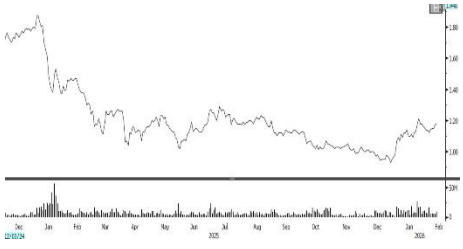
COMPANY *IN FOCUS*

Mah Sing Group

Maintain BUY | Unchanged Target Price: RM1.54
Price @ 12 Feb 2026: RM1.18

- New sales of RM1.88b in 9MFY25, on track to meet new sales target of RM2.65b for FY25.
- Active land banking supports new sales prospects.
- Expanding industrial property exposure bodes well for new sales growth.

SHARE PRICE CHART

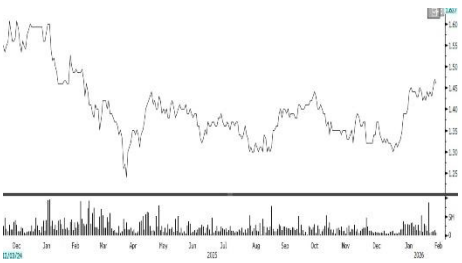


Matrix Concepts

Maintain BUY | Unchanged Target Price: RM1.65
Price @12 Feb 2026: RM1.46

- MVV City is the next growth earnings catalyst to Matrix Concepts.
- Klang Valley developers gaining traction and support earnings growth.
- New sales momentum remains strong, supported by landed homes projects in Negeri Sembilan.

SHARE PRICE CHART



Marginal growth in approved loan. Approved loan for purchase of property was marginally lower at RM23.3b (-1.7%yoy) in December 2025, reversing the growth in the past three months. The decline in approved loan was mainly due to lower loan approval ratio of 42.7% in December 2025 against 50.2% in December 2024. That has more than offset the higher loan application in December 2025. On a monthly basis, approved loan was lower by -1.4%mom due to lower loan application and lower loan approval ratio. Cumulatively, total approved loan in CY25 was higher at RM286.8b (+1.2%yoy). The higher approved loan indicates the higher new sales outlook for developers. Going forward, we see stable new sales prospect for developers for 2026 while developers will reveal their new sales target for 2026 in the upcoming results reporting season in February.

Positive earnings prospect for 4QCY25. For the upcoming results reporting season, we expect that developers are likely to continue registering decent earnings growth and concluding 2025 on a positive note. Note that most of the developers under our coverage reported earnings growth in 3QCY25 as earnings were supported by the stronger property sales secured in CY24 and CY25. The stronger property sales coupled with the stable progress billing should continue to underpin earnings outlook for developers going forward. On new property sales front, we see that developers to be on track to hit new sales target. Recall that most of the developers are targeting higher sales in CY25 as market condition is favourable with stable demand for property. Going forward, we reckon that developers are likely to set marginally higher new sales target for CY26 due to the stable underlying demand for properties. Besides, the growing exposure of property companies to industrial property development also helps lifting new property sales.

Maintain POSITIVE on property sector. We see stable new sales prospect going into CY26 as The Johor Bahru–Singapore Rapid Transit System (RTS) and Johor-Singapore Special Economic Zone (JS-SEZ) will remain the catalysts for the sector. Besides, the upcoming corporate exercise by developers namely listing of REITS by IOI Properties and S P Setia as well as listing of Sunway Healthcare Holdings by Sunway Berhad are expected to lift sentiment on property stocks. On stock recommendation, we are revising our **TP** for **IOI Properties** to **RM2.97** from RM2.30 as we narrow RNAV discount to 42% from 55% following the recent land disposal in Banting which unlocks the value of its landbank while the upcoming listing of IOI REIT provides near-term catalyst. Nevertheless, we are maintaining our **NEUTRAL** call on **IOI Properties** as we think its valuation is stretched, trading at price to book of 0.74x which is above its +2-standard deviation of 9-year mean price-to-book ratio of 0.66x. **Our top three picks for the sector are Mah Sing Group (BUY, TP: RM1.54), Matrix Concepts (BUY, TP: RM1.65) and UOA Development (BUY, TP: RM2.01)**. We remain positive on Mah Sing's long-term prospect which will be driven by the healthy outlook for affordable homes in Malaysia. Besides, the growing exposure to industrial property development following JV with KLK Land provides new growth avenue. For Matrix Concepts, we anticipate earnings outlook to remain positive, underpinning by the solid contribution from Sendayan developments in Seremban while the growing contribution from Klang Valley developments are expected to aid earnings growth. Besides, the development of MVV City will remain the catalyst in the near-term. We also like UOA Development for the healthy balance sheet of net cash position and resilient income from its investment assets. Dividend yield of UOA Development is attractive at 5.2%. New sales prospect for FY26 will also be supported by its maiden high-rise project in Johor.

Peers Comparison

Stock	Rec.	Price @ 14-Jan-2026	Target Price (RM)	Core EPS (sen)		Core PER (x)		Net DPS (sen)		Net Dvd Yield		P/NTA (x)
				FY25F	FY26F	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F	
MAHSING	BUY	1.18	1.54	10.2	11.5	11.6	10.3	4.8	5.2	4.1%	4.4%	0.75
UOADEV	BUY	1.91	2.01	13.9	14.6	13.8	13.1	10.0	10.0	5.2%	5.2%	0.88
MATRIX	BUY	1.46	1.65	10.8	14.2	13.5	10.3	7.95	7.50	5.4%	5.1%	1.20
SPSETIA	BUY	0.955	1.26	9.4	10.3	9.2	7.9	2.5	2.5	2.5%	2.6%	0.33
ECOWLD	NEUTRAL	2.20	2.21	13.7	19.6	16.1	11.2	7.0	7.0	3.2%	3.2%	1.08
SUNWAY	NEUTRAL	5.70	5.34	13.6	15.4	41.9	37.0	10.0	10.0	1.8%	1.8%	2.56
IOIPG	NEUTRAL	3.30	2.97	5.4	10.4	61.1	31.7	8.0	8.0	2.4%	2.4%	0.73

Source: MBSB Research

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology