Property

NEUTRAL (Maintain)

More Moderate Outlook Ahead

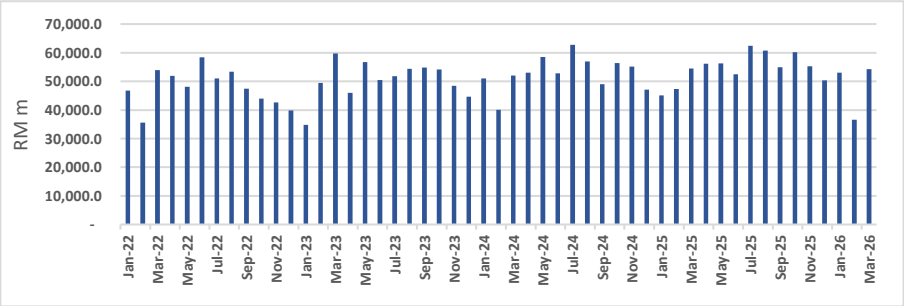
Analyst
Jessica Low Jze Tieng
jessica.lowjt@mbsb.com
03-2173 8391

HIGHLIGHTS

- Softer loan applications in 1QCY26
- Loan approvals broadly unchanged in 1QCY26
- Unsold completed properties inched higher in 1QCY26
- Maintain NEUTRAL on property sector
- Top picks for the sector are Mah Sing Group (BUY, TP: RM1.25), Matrix Concepts (BUY, TP: RM1.55) and IOI Properties Group (BUY, TP: RM4.64)

Softer loan applications in 1QCY26. Total loan application for purchase of property recovered to RM54.2b (+48%mom) in March 2026 after a sharp decline of 30.9%mom in February 2026. Note that the easing loan demand in February 2026 was due to shorter month of February and impact of festive holidays on loan demand. Meanwhile, loan application was flattish on a year-on-year basis, easing by -0.5%yoy in March 2026 as loan applications softened amid geopolitical tensions from the US–Iran conflict. Cumulatively, loan applications were softer in 1QCY26 at RM143.9b (-2%yoy). Going forward, we may see softening buying interest on properties in the near-term as higher fuel costs are expected to drive inflationary pressure and dampen affordability among homebuyers.

Figure 1: Monthly total applied loan



Source: BNM, MBSB Research

Loan approvals broadly unchanged in 1QCY26. Approved loan for purchase of property increased to RM22b (+40.7%mom) in March 2026 after declining by 29.6%mom in February 2026. The increase in approved loan was mainly due to rebound in loan application. On a year-on-year basis, approved loan declined by -5.4%yoy in March 2026, mainly dragging by the lower approval ratio of 40.6% in March 2026 as compared to approval ratio of 42.7% in March 2025. Cumulatively, total approved loans were little changed at RM59.9b (+0.1%yoy) in 1QCY26. Looking ahead, approved loan growth is expected to remain subdued, driven by softer loan application momentum.

COMPANY *IN FOCUS*

Mah Sing Group

Maintain BUY | Unchanged Target Price: RM1.25
Price @ 18 April 2026: RM1.01

- Mah Sing sets new sales target of RM2.76b for FY26.
- 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: RM1.55
Price @ 18 April 2026: RM1.32

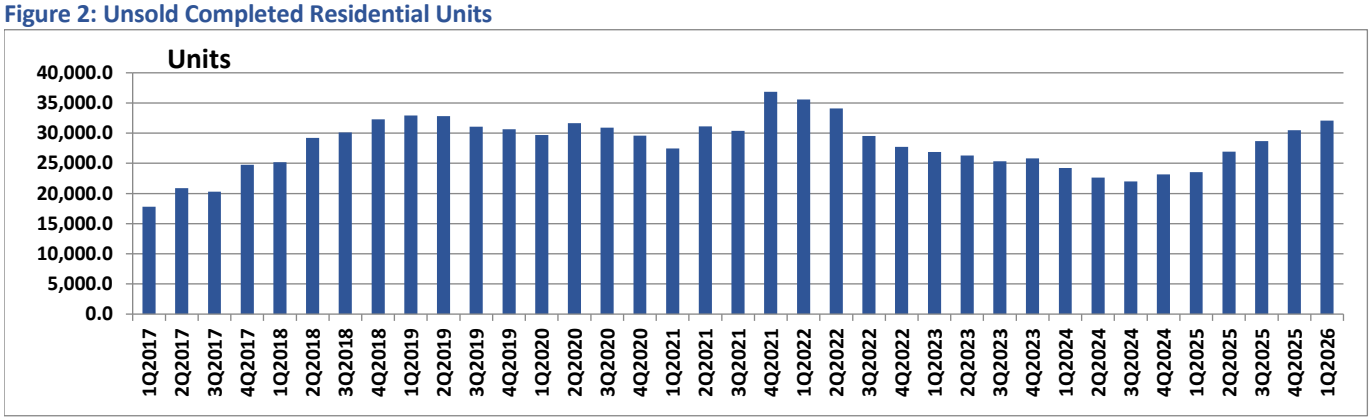
- MVV City is the next growth earnings catalyst to Matrix Concepts.
- Klang Valley developers gaining traction and support earnings growth.
- Dividend yield is attractive at 5.2%.

SHARE PRICE CHART



Unsold completed properties inched higher in 1QCY26. According to data released by National Property Information Centre (NAPIC), unsold completed residential units continue to increase, climbing to 32,801 units in 1QCY26 from 30,471 units in 4QCY25. The increase in unsold completed residential units was mainly contributed by higher unsold completed residential units in KL (+1,678 units), Malacca (+471 units) and Pahang (+445 units). Meanwhile, Perak has the highest unsold completed residential units of 4,063 units, followed by Johor (3,852 units), Selangor (3,745 units), KL (3,733 units) and Penang (3,165 units). Residential property overhang has seen a renewed uptick after increasing for sixth consecutive quarter since 4QCY24 as supply continues to outpace demand. The uptrend has resulted in residential property overhang levels reaching a three-year high. Similarly, serviced apartment overhang has also risen to 19,263 units in 1QCY26 from 18,752 units in 4QCY26 as serviced apartment overhang in KL and Johor increased. Overall, we see the rising property overhang presents downside risks to the sector as the higher unsold completed properties may slow launches of developers going forward.

Figure 2: Unsold Completed Residential Units



Source: NAPIC, MBSB Research

Maintain NEUTRAL on property sector. We see that property purchasing sentiment may moderate amid inflationary pressures. While we see that 1QCY26 earnings for developers to be largely in line and supported by higher sales secured in 2024 and 2025, we think that the oil price hike should compress margin of developers in 2HCY26. Meanwhile, we think that the increasing property overhang to the highest level since 3QCY22 poses a headwind to developers. Hence, we maintain our **NEUTRAL** stance on the sector. Our top picks for the sector are **Mah Sing Group (BUY, TP: RM1.25), Matrix Concepts (BUY, TP: RM1.55) and IOI Properties Group (BUY, TP: RM4.64)**. We remain sanguine on outlook for Mah Sing Group which will be driven by its strategy of focusing on affordable housing. For Matrix Concepts, we see the development of MVV City Centre with sizable GDV to serve as the near-term catalyst. For IOI Properties Group, we see value crystallization from land monetization and development of high-value projects on its land bank in Puchong. We also see the listing of IOIPG REIT which is expected to complete in 2HCY26 to crystallize value of its investment properties.

Peers Comparison

Stock	Rec.	Price @ 18-May-2026	Target Price (RM)	Core EPS (sen)		Core PER (x)		Net DPS (sen)		Net Dvd Yield		P/NTA (x)
				FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F	
MAHSING	BUY	1.01	1.25	10.9	12.0	9.3	8.4	5.0	6.0	5.0%	5.9%	0.64
MATRIX	BUY	1.32	1.55	12.8	14.4	10.3	9.2	6.80	7.20	5.2%	5.5%	1.07
IOIPG	BUY	4.30	4.64	10.4	11.3	41.3	38.1	8.0	8.0	1.9%	1.9%	0.96
SPSETIA	BUY*	1.10	0.98	8.7	9.6	9.2	7.9	2.5	2.9	2.5%	2.6%	0.37
UOADEV	NEUTRAL	1.82	1.86	14.6	15.3	12.5	11.9	10.0	10.0	5.5%	5.5%	0.82
ECOWLD	NEUTRAL	2.09	2.09	19.7	13.6	10.6	15.3	8.0	8.0	3.8%	3.8%	1.23
SUNWAY	NEUTRAL	5.43	5.20	16.4	16.6	33.2	32.8	6.0	6.0	1.1%	1.1%	2.35

**Under Review*
Source: MBSB Research

MBSB Research (formerly known as MIDF Research) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK (formerly known as MIDF Amanah Investment Bank): GUIDE TO RECOMMENDATIONS

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