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Maybank Investment Bank Forecasts 9 % Earnings Growth For REITs Sector

Maybank Investment Bank maintains a highly optimistic stance on Real Estate Investment Trusts (REITs), forecasting robust earnings growth of approximately nine percent for 2026. This positive projection is underpinned by anticipated strong rental reversions and sustained occupancy rates across prime retail and industrial assets. As economic activities stabilize, the sector is poised to benefit significantly from increased consumer spending and improved business sentiment, creating a favorable environment for yield-seeking investors.

Furthermore, the bank highlights that strategic asset enhancement initiatives undertaken by major REIT players will likely drive capital appreciation. The resilient demand for logistics and industrial properties, fueled by the ongoing e-commerce boom, serves as a critical growth catalyst. Consequently, these structural tailwinds are expected to bolster dividend yields, making the sector an attractive defensive play amidst broader market volatility.

Additionally, the stabilizing interest rate environment provides further relief to financing costs, thereby enhancing net property income margins. Investors are encouraged to focus on REITs with strong parent support and prime asset locations, as these entities are best positioned to capture the upside. The overall outlook remains decidedly constructive, with 2026 expected to be a pivotal year for earnings realization.

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Intense Competition Expected In Industrial Property Segment Amidst Infrastructure Growth

Competition within the industrial property segment is set to intensify significantly as new players enter the market, driven by the sector's status as a primary growth engine. The Johor-Singapore Special Economic Zone (JSSEZ) stands out as a key anchor, attracting substantial interest due to strong government-to-government backing. As traditional hubs like Klang Valley mature, alternative locations such as Malaysia Vision Valley 2.0 and Kedah are gaining traction, offering cost-effective options for industrial expansion.

Simultaneously, the influx of developers and plantation landowners repurposing land for industrial parks is expanding supply, which necessitates strategic differentiation. Proven developers with established track records are expected to maintain their competitive edge by delivering integrated, high-quality facilities. This healthy competition is ultimately beneficial, pushing standards higher and ensuring that industrial infrastructure meets the sophisticated demands of modern multinational tenants.

Furthermore, the impending completion of the RTS Link by late 2026 serves as a critical catalyst, already bolstering commercial asset prices in Johor. The convergence of improved connectivity and asset monetization strategies, such as REIT listings, provides a clear pathway for value creation. Investors are advised to remain selective, favoring companies with strong execution capabilities in this heating market.

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Analysts Predict 2026 To Be A Super Year For Real Estate

2026 is shaping up to be a "super year" for the real estate sector, with analysts maintaining an "Overweight" call based on resilient demand and active developer pipelines. Aggregate property sales have shown impressive double-digit growth, signalling robust market confidence despite external economic pressures. Key corporate developments, including the anticipated listing of healthcare divisions and new data center facilities, are expected to act as major re-rating catalysts for established players.

Additionally, the completion of critical infrastructure projects like the RTS Link will likely spur a fresh wave of property launches, particularly in the southern region. The easing interest rate environment further incentivizes developers to aggressively replenish landbanks, positioning them for sustained long-term growth. This proactive capital management underscores the sector's readiness to capitalize on emerging opportunities.

Moreover, potential mergers and acquisitions could unlock significant shareholder value, adding excitement to the market landscape. With developers focusing on strategic expansion and reward distribution through special dividends, the sector offers a compelling investment proposition. The convergence of favorable macro factors and corporate agility sets the stage for exceptional performance throughout the year.

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Malaysia Economic Growth To Stay Resilient Despite Global Slowdown Concerns

Malaysia's economic trajectory remains firmly on a resilient path, defying broader global slowdown concerns through robust domestic fundamentals. Strong domestic consumption and sustained investment inflows are serving as effective buffers against external volatility. The government's continued commitment to structural reforms and infrastructure spending ensures that the economy maintains a steady growth momentum, providing a stable backdrop for corporate earnings.

Furthermore, diversified export markets and a recovering tourism sector are contributing significantly to this economic stability. Policy continuity and a focus on high-value industries are helping to insulate the local market from geopolitical shocks. This economic fortitude is expected to translate into improved business confidence, encouraging further private sector expansion and capital expenditure.

Consequently, the outlook for 2026 remains cautiously optimistic, with GDP growth targets appearing achievable. For investors, this resilience suggests a lower risk premium for Malaysian assets compared to regional peers. The nation's ability to navigate global headwinds while fostering internal growth engines positions it as a safe harbor for long-term investment capital.

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Paragon Globe Enters 2026 On Strong Footing With Johor Pipeline

Paragon Globe Bhd enters 2026 with remarkable confidence, reporting a doubling of net profit to RM29.94 million for the first half of the financial year. This stellar performance is driven by the strategic recognition of land sales and robust demand for industrial properties in Johor. The company's disciplined execution and focus on cost management have successfully translated top-line growth into substantial bottom-line earnings, validating its business strategy.

Moreover, the company is well-positioned to benefit from Johor's economic expansion, particularly within the Iskandar Malaysia region. New launches, including high-rise residential projects and mixed-use developments, are expected to diversify revenue streams and enhance future earnings visibility. The strategic location of their landbank near major infrastructure projects ensures sustained interest from both domestic and international buyers.

Looking ahead, Paragon Globe remains committed to balancing immediate earnings realization with long-term value creation. By capitalizing on the Johor-Singapore Special Economic Zone initiatives, the group is set to strengthen its market presence further. This forward-looking approach, combined with a solid financial foundation, presents a compelling growth narrative for stakeholders.

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Chin Hin Group Upbeat On Resilient Home Demand And Earnings

Chin Hin Group expresses strong optimism regarding its financial outlook for 2026, anchored by resilient demand for residential properties. The group anticipates significant earnings realization as construction progress accelerates across its ongoing projects. This positive sentiment is supported by a healthy uptake in their property launches, reflecting sustained buyer confidence despite challenging market conditions in the broader economy.

Additionally, the company's strategic focus on affordable and mid-range housing segments continues to pay dividends, addressing a critical market need. By leveraging its integrated business model, which spans building materials and construction, Chin Hin is able to manage costs effectively and protect margins. This operational efficiency is a key differentiator that enhances earnings stability and growth potential.

Furthermore, the group's robust order book provides clear earnings visibility for the coming year. Management remains committed to delivering value through timely project completion and quality product offerings. With a solid foundation and a favorable market positioning, Chin Hin Group is well-poised to deliver superior shareholder returns in 2026.

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Archidex 2026 Aims To Surpass RM1 Billion Ringgit In Transactions

Archidex 2026 is setting ambitious targets, aiming to surpass the RM1.4 billion in business transactions recorded in the previous year. The organizers anticipate hosting over 40,000 visitors and 900 exhibitors, reflecting the vibrant health of the regional architecture and building industry. Scheduled for late July, the event will feature an expanded exhibition space, underscoring the growing demand for innovative building solutions and design technologies.

Moreover, the exhibition will focus on future-ready themes such as digital architecture, sustainability, and smart building technologies. This strategic pivot aligns with global trends and provides a crucial platform for industry stakeholders to forge high-value partnerships. The inclusion of the Kuala Lumpur Architecture Week further elevates the event's profile, fostering deeper engagement across the built environment ecosystem.

Consequently, Archidex continues to serve as a barometer for industry sentiment, with this year's ambitious targets signaling strong confidence in the construction sector's recovery. By facilitating substantial cross-border trade and knowledge exchange, the event plays a vital role in driving economic activity. Participants can expect a dynamic environment conducive to securing significant business deals.

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Iconic Worldwide Secures RM75 Million Revenue From Factory Lease

Iconic Worldwide Bhd has successfully secured a lucrative long-term tenancy agreement expected to generate over RM75 million in rental revenue. The deal involves leasing its Batu Kawan factory to Aperion Technologies for an initial six-year term, with options for renewal. This strategic move effectively monetizes a dormant asset, transforming it into a consistent source of recurring income that will strengthen the group's financial stability.

Furthermore, the tenant is a high-tech optical module manufacturer, highlighting the premium quality and strategic location of the facility within a major industrial hub. This partnership not only validates the value of Iconic's industrial assets but also diversifies its revenue base beyond its core businesses. The potential total revenue could rise significantly if lease renewal options are exercised, offering long-term upside.

Consequently, this agreement marks a significant milestone in the group's turnaround strategy, directly contributing to profitability. By unlocking value from existing property holdings, Iconic Worldwide is better positioned to fund future growth initiatives. Shareholders can look forward to improved earnings visibility and a stronger balance sheet moving forward.

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Global Oriental Disposes Retail Units In Pavilion Embassy For Cash

Global Oriental Bhd has executed a strategic disposal of 18 retail units at Pavilion Embassy for a total consideration of RM35 million. This transaction is priced at a premium to the property's net book value, expected to generate a net gain of approximately RM7.4 million for the group. The proceeds are earmarked for paring down borrowings and funding working capital, a prudent move to strengthen the company's financial health.

Additionally, this asset monetization allows the group to unlock capital tied up in completed inventory, improving liquidity. By reducing trade payables and debt, Global Oriental is streamlining its balance sheet to better navigate the current economic landscape. The swift completion of this deal, expected within three months, reflects management's agility in executing value-accretive corporate exercises.

Ultimately, this disposal demonstrates a disciplined approach to capital management, ensuring resources are efficiently allocated. The resulting gain and interest savings will positively impact the group's earnings performance. Investors can view this as a proactive step towards reinforcing the company's foundation for future sustainable growth.

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Rimbunan Sawit Strategically Sells Land In Miri To Trinity Capital

Rimbunan Sawit Bhd has entered into a sale and purchase agreement to dispose of 1,504 hectares of land in Miri for RM28 million. This strategic divestment allows the group to exit a remote estate that incurred high logistical costs, thereby eliminating a drag on operational efficiency. The disposal consideration was arrived at on a willing-buyer, willing-seller basis, closely aligning with independent market valuations.

Furthermore, the proceeds from this sale will be utilized for working capital and potential future investments in more viable estates. This reallocation of resources is designed to concentrate efforts on more profitable, integrated assets, enhancing overall group performance. By streamlining its landbank, Rimbunan Sawit is taking decisive action to optimize its asset portfolio.

Consequently, this corporate exercise is expected to improve the company's liquidity position without diluting shareholder equity. The completion of the deal in the second half of 2026 will mark a positive step in the group's restructuring efforts. Management's focus on operational rationalization is a clear signal of their commitment to long-term sustainability.

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Selangor Dredging Acquires Prime Industrial Land For Mixed Development Project

Selangor Dredging Bhd continues its expansion with the acquisition of a prime 1.214-hectare industrial land parcel in Petaling Jaya for RM63 million. The group plans to redevelop this strategic site into a high-rise serviced apartment complex with an estimated gross development value of RM507 million. This ambitious project aims to capitalize on the mature location, offering family-friendly facilities and open spaces to attract urban dwellers.

Moreover, the acquisition will be funded through a mix of cash and a contra arrangement involving existing unsold units, effectively managing cash flow. While the purchase will slightly increase net gearing, the board views this as a necessary step to secure a high-potential development pipeline. The project is expected to contribute positively to future earnings upon its launch and completion.

Ideally positioned for long-term value creation, this move underscores the developer's confidence in the Klang Valley property market. By transforming industrial land into high-value residential stock, Selangor Dredging is maximizing land use efficiency. This strategic pivot reflects a proactive approach to sustaining growth in a competitive landscape.

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Court Rules Sarawak Strata Law Not Retrospective Clearing Developer Liability

In a landmark decision, the Kuching High Court has ruled that the Sarawak Strata Management Ordinance 2019 cannot be applied retrospectively. This ruling effectively clears developers of liability for maintenance charges and sinking funds for unsold units prior to the law's enforcement in March 2022. The decision provides crucial legal clarity for the property sector, protecting stakeholders from unexpected backdated financial claims.

Furthermore, the court determined that the Joint Management Body in the case lacked legal standing to claim arrears from before its own formation. This sets a vital precedent that statutory duties are strictly bound by the timeline of legislative enforcement. Developers can now operate with greater certainty regarding their financial obligations during transitional regulatory periods.

Consequently, this judgment is viewed positively by the development community as it removes a significant potential financial overhang. It reinforces the principle of fairness in the application of new statutes. The clarity provided by this ruling is expected to foster a more stable and predictable operating environment for property developers in Sarawak.

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Sunway Launches Major Takeover Offer For IJM Corp

Sunway Bhd has initiated a bold corporate move with a cash-and-share offer to acquire IJM Corporation Bhd, valuing the deal at approximately RM11 billion. This strategic takeover bid aims to consolidate two of Malaysia's construction and property giants into a formidable market leader. The proposed acquisition reflects Sunway's ambition to rapidly scale its operations and capture a larger market share in infrastructure and development.

Additionally, the deal structure, involving both cash and shares, is designed to offer value to IJM shareholders while managing Sunway's capital outlay. If successful, the merger would create a conglomerate with unparalleled capabilities across the entire construction value chain. This consolidation is expected to generate significant operational synergies and cost efficiencies over the long term.

While details are still being digested by the market, the sheer scale of the proposal signals strong confidence in the domestic construction sector's future. It represents a transformative opportunity for Sunway to leapfrog competitors and secure a dominant position. Investors will be watching closely as this mega-merger progresses through regulatory and shareholder approvals.

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Analysts View Sunway Deal As Credibility Booster With Synergies

Analysts have reacted positively to Sunway's proposed acquisition of IJM Corp, citing it as a move that significantly boosts the group's credibility. The combined entity would boast a massive asset base of RM53 billion, enhancing its ability to bid for and execute large-scale infrastructure projects. This scale is expected to reduce the holding company discount often applied to conglomerates, potentially unlocking shareholder value.

Moreover, research houses estimate that the deal could be earnings accretive, lifting earnings per share by nearly 18% on a pro forma basis. The diversification into IJM's robust infrastructure assets, such as ports and toll roads, provides Sunway with stable, recurring income streams. This complements Sunway's existing property and construction portfolio, creating a more balanced and resilient business model.

Consequently, the merger is seen as a strategic masterstroke that reduces competition and strengthens market positioning. While some pricing concerns exist, the overriding sentiment is that the long-term strategic benefits outweigh the immediate costs. The enlarged group is poised to become a dominant force in Malaysia's economic landscape.

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Ancubic Group Rosedale Commercial Units Fully Sold Out

Ancubic Group has achieved a significant milestone with the commercial component of its Rosedale development in Klang being fully sold out. This success was highlighted during the opening of their new property gallery, signaling strong market acceptance of their integrated development concept. The project is strategically located near key infrastructure like the LRT3 station, enhancing its appeal to both investors and business operators.

Furthermore, the developer has secured strategic memorandums of understanding with major brands like Jaya Grocer, ensuring a vibrant commercial ecosystem from day one. These partnerships add immediate value to the development, promising convenience for future residents and steady footfall for businesses. The focus on integrating residential living with quality commercial spaces is proving to be a winning formula.

Looking ahead, the group remains committed to delivering long-term value through sustainable design and community building. The robust sales performance reflects high confidence in the developer's vision and execution capabilities. With strong connectivity and premium partners, Rosedale is set to become a thriving new urban hub in Klang.

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Prominent Land Deals Expected To Drive Market Activity In 2026

The property market in 2026 is expected to be punctuated by several high-profile land and asset transactions worth billions of ringgit. Key deals on the radar include the sale of the 8 Conlay project and prime commercial land in Changkat Kia Peng, signalling active restructuring and asset recycling among major players. These transactions are anticipated to set new valuation benchmarks and stimulate interest in prime urban locations.

Additionally, the market is watching the disposal of heritage properties in Penang and the redevelopment potential of the former MAS headquarters site in Kuala Lumpur. Such deals highlight the enduring value of strategic landbanks and the appetite for redevelopment opportunities in mature markets. The movement of these significant assets is expected to unlock capital for new development cycles.

Consequently, industry experts foresee a dynamic year for investment real estate, driven by both distressed asset sales and strategic expansion. The successful conclusion of these deals will likely have positive spillover effects on market sentiment. Investors are advised to monitor these developments closely as they reshape the competitive landscape.

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TM Nxera Secures Massive Power Supply For Johor Data Centre

TM Nxera has successfully secured a 280MW power supply agreement with Tenaga Nasional Bhd for its upcoming data centre campus in Johor. This critical utility backing ensures the viability of the AI-ready facility, which is set to commence operations in 2026. The agreement underscores the project's scale and its importance within the Johor-Singapore Special Economic Zone digital infrastructure roadmap.

Moreover, the campus is designed to be highly sustainable, featuring advanced liquid cooling systems and meeting strict environmental standards. By securing such significant power capacity, TM Nxera positions itself as a premier provider for large-scale AI and cloud computing workloads. This robust infrastructure is a key differentiator in attracting global tech giants to the region.

Ultimately, this development serves as a major catalyst for Malaysia's digital economy ambitions. It demonstrates successful collaboration between utility providers and technology firms to build future-ready assets. The project is expected to drive long-term revenue growth and reinforce Malaysia's status as a regional data centre hub.

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