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## Session 1

# Market Landscape: Growth Drivers and Trends

Lee Heng Guie, Cha-Ly Koh, Christophe Vivic, and Amy Wong as Moderator

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## Key Themes and Challenges

### 1. Growth Drivers and Trends

- **Socio-economic Factors:** Urban migration, demand for smart and affordable housing, and the impact of a strong U.S. dollar are significant growth drivers. Aligning with global sustainability trends is crucial.
- **Big Data Utilisation:** The real estate sector underutilising big data, which limits its ability to respond effectively to market changes. Enhancing data processing can offer valuable insights and adapt to emerging trends.

### 2. Geopolitical and Economic Impacts

- **Global Influences:** Malaysia remains attractive for investment despite global tensions, but inflation risks and stress in China's property market could impact growth.
- **Future Outlook:** Geopolitical shifts, inflation, and interest rates will pose both risks and opportunities for Malaysia's real estate sector, with potential benefits from currency stabilisation.

### 3. Demographic Shifts and Behavioural Changes

- **Ageing Population:** Developers need to address the needs of an aging population and tech-savvy younger buyers, focusing on affordability and adaptability.
- **Behavioural Trends:** There is a growing preference among younger generations for tech-driven, sustainable homes.

### 4. Regulatory Reforms and Sustainability

- **Regulatory Needs:** Streamlining Malaysia's regulatory framework is essential for attracting Foreign Direct Investment (FDI) and ensuring sustainable market growth. Current regulations are seen as complex and time-consuming.
- **Sustainability:** Long-term sustainability and climate resilience are critical. Developers must adapt housing developments to changing environmental and economic conditions.

## 5. Strategies for Stakeholders

- To focus on commercial investment and aligning with national strategies.
- To advocate for better measurement of supply and demand, including tracking vacancy rates.
- To simplify regulatory requirements and improving industry engagement.
- To address domestic economic needs to stabilise the market.

The discussion emphasised the need for balancing innovation, sustainability, and regulatory reforms to support Malaysia's evolving real estate market. Key drivers include big data, socio-economic shifts, and global geopolitical tensions. Effective strategies involve streamlining regulations, leveraging technology, and addressing both foreign and domestic investment needs to ensure a resilient and dynamic real estate sector.