

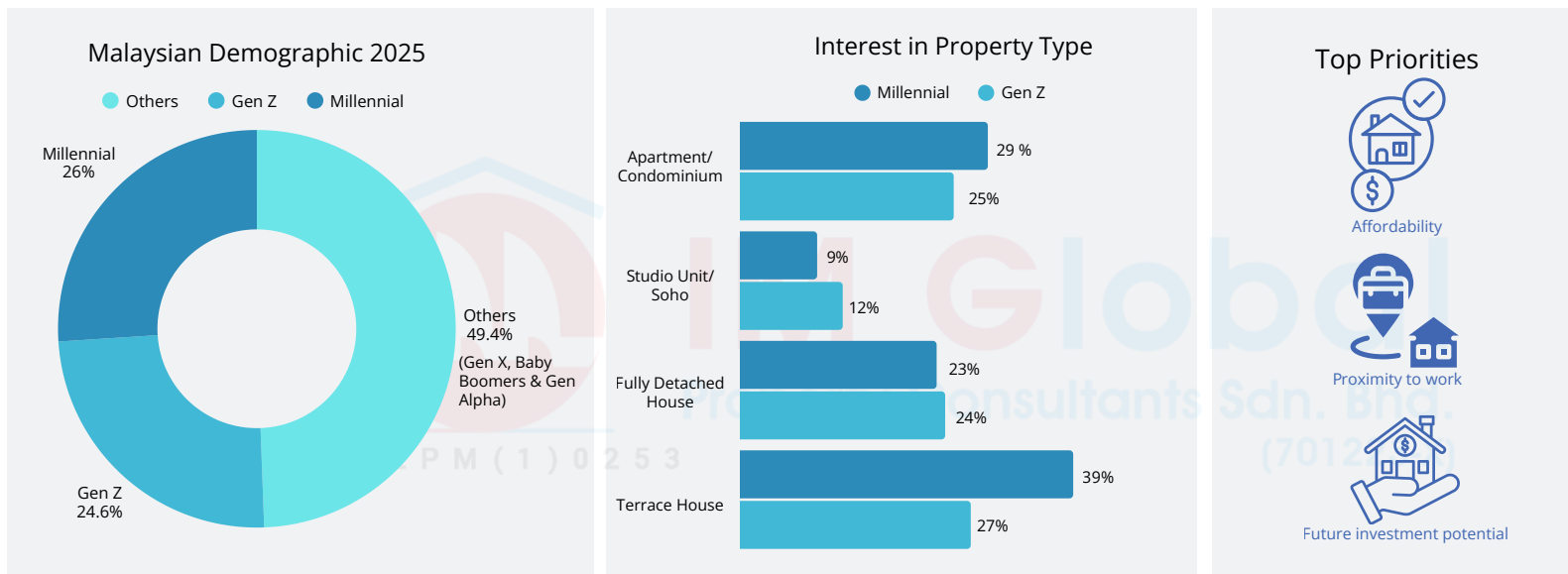
The IMG Monthly Bulletin serves as a comprehensive review of developments in the real estate industry, bringing together insights, news, and updates on the property market. Each week, we publish focused snapshots on the month's main theme, offering timely perspectives on key trends shaping the sector. At the end of every month, these insights are consolidated into the IMG Monthly Bulletin, providing readers with an in-depth overview of industry movements, emerging opportunities, and strategic considerations for stakeholders across the property market.

First-time Homebuyers (Gen Z vs. Millennials) : Shifting Preferences & Financial Struggles

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Part 1: Shifting Preferences: How Gen Z & Millennials are Changing The Property Game



Key Findings

- Gen Z (26.0%) and Millennials (24.5%) together make up over half of Malaysia's population, making them the largest segment of future homebuyers.
- Gen Z buyers lean towards apartments/studio units in suburban areas, driven by affordability and lifestyle convenience.
- Millennials show stronger preference for landed terrace houses in urban areas, prioritizing space and family suitability.
- Life stage plays a big role: Gen Z values flexibility and affordability, while Millennials focus on stability and long-term living.
- Gen Z: 55% prefer suburban housing with access to public transport and family support systems.
- Millennials: 57% prefer urban housing for lifestyle convenience and shorter commutes.
- Both groups consider affordability, safety, investment potential, and proximity to work as top decision factors.

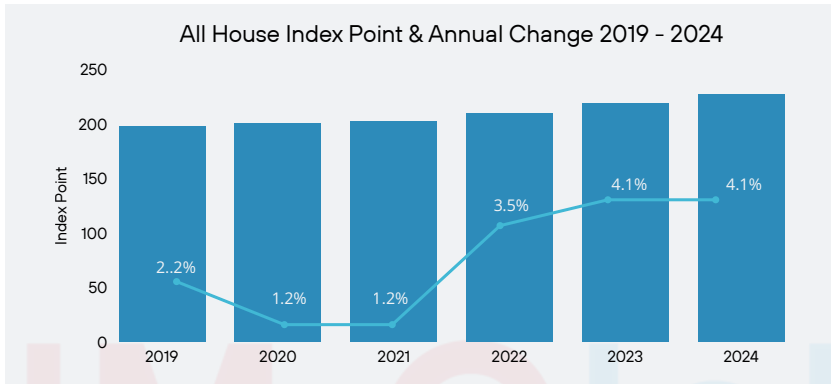
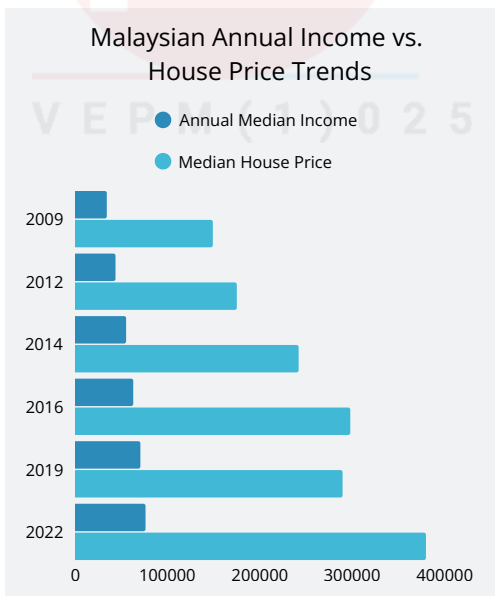
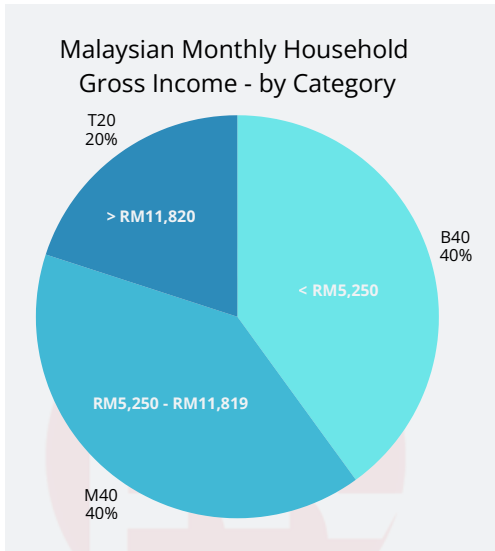
Location Preferences



Top Concerns



Part 2: Financial Struggles: What's Holding Gen Z & Millennials Back?

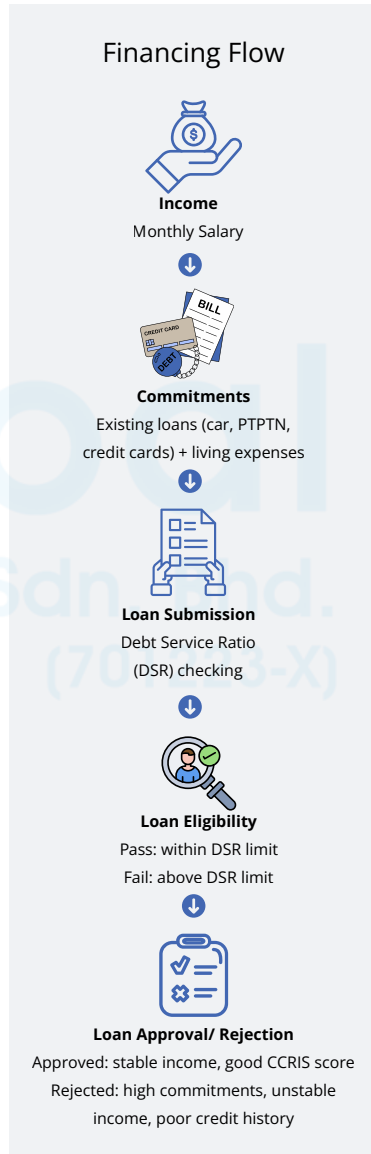


Voices from the Ground: What Millennials & Gen Z are saying

Housing Situation	Financial Challenges	Savings & Awareness	Needed Support
<p>Millennial, 41, Single: Still living with family, saving to buy a home in the next four years.</p>	<p>Millennial, 37, Married: Struggling with low income and debt</p>	<p>Gen Z, 27, Single: Saving since age 21, but not aware of government housing schemes.</p>	<p>Gen Z, 22, Single: Wants low-interest loans to ease monthly payments; also supporting siblings' education.</p>

Key Findings

- House prices continue to rise faster than income: Malaysia's House Price Index climbed from 198 (2.2%) 2019 to 227.3 (4.1%) 2024.
- National average house price (2023): RM467,144, while Kuala Lumpur averages RM778,485—well above affordability thresholds.
- Many Millennials are still struggling with affordability due to stagnant incomes, debt burdens, and delayed entry into homeownership. Meanwhile, Gen Zs are more proactive in saving early but often lack awareness of government housing schemes and financial tools that could support them.



Part 3: Government Support You Should Know

Affordable Housing Schemes



- Malaysian citizen
- Aged 21 years and above
- Born, working, or living in the Federal Territories
- Income limit:
 - < RM10,000 (single)
 - < RM15,000 (joint household income)



Rumah Selangorku

- Malaysian citizen
- Aged 18 years and above
- Does not own property in Selangor
- Household income between RM3,000 – RM10,000 per month



- Malaysian citizen
- Aged 21 years and above
- Household income between RM2,500 – RM15,000 per month
- Priority for first-time homebuyers (must not own more than one property at the time of application)



Program Perumahan Rakyat

- Malaysian citizen
- Aged 18 years and above
- Household income < RM3,000 per month
- For those without existing property
- Options: rent-to-own or purchase at subsidised rates



Perumahan Penjawat Awam Malaysia

- Malaysian citizen
- Open to public servants:
 - Federal & State Government staff
 - Local Authorities
 - Statutory bodies (Federal & State)
 - Contract officers and retirees with pension card
- Priority for applicants with basic salary < RM10,000
- Applicants may apply for multiple projects, but only 1 unit per household will be allocated

Stamp Duty Exemption

- Malaysian first-time homebuyers
- Sale & Purchase Agreement period:
 - 1 Jan 2025 – 31 Dec 2027
- Property price up to RM500,000:
- 100% exemption
- Property price RM500,001 – RM1,000,000: partial exemption

Tax Relief (Budget 2025 - 2027)

- Malaysian first-time homebuyers
- Property must not be used to generate rental income
- Applicable for 3 consecutive assessment years
- Period: 1 Jan 2025 – 31 Dec 2027

Tax Relief Amount:

- Property price up to RM500,000: RM7,000/year
- Property price RM500,001 – RM750,000: RM5,000/year

Financial Assistance

The financial assistance schemes help people own homes by reducing costs, easing loan approvals, and offering flexible payments, making homeownership more accessible for first-time buyers and lower-income groups.

Skim Jaminan Kredit Perumahan (SJKP)/ Housing Credit Guarantee Scheme (HCGS)

- Malaysian citizen, aged 18 years and above
- First-time homeownership
- Housing types: new, resale, or auction properties
- Total loan repayment not to exceed 65% of gross monthly income
- No CCRIS arrears exceeding 2 months within the past 12 months
- No other negative credit records in the past 24 months

Skim Rumah Pertamaku

- Malaysian citizen
- First-time homebuyer
- Employed (public/private) or self-employed
- Applicant alone or jointly
- Household income:
 - ≤ RM5,000 (single)
 - ≤ RM10,000 (joint)
- No adverse financing records in the past 12 months
- Financing up to 110% (only applicable if household income ≤ RM5,000 and property price ≤ RM300,000)

Rumah Mesra Rakyat (RMR) – SPNB

- Malaysian citizen aged 18–65 years
- Household income ≤ RM5,000/month
- Does not own a home OR property is dilapidated
- Must own land or have explicit permission from a landowner
- Land must be at least 3,000 sq ft, unencumbered by liens
- Government subsidy of RM20,000, bringing the effective house price to ~RM55,000
- Monthly installment as low as RM300, payable over 16–25 years
- SPNB aims to build thousands of such units to aid B40 and M40 groups

First Home Deposit Funding (MyDeposit)

- Malaysian citizen
- First-time homebuyer
- Aged 21 years and above
- Household income between RM3,000 – RM10,000/month (M40 group)
- Buying a property priced between RM100,000 – RM500,000 (subject to scheme guidelines)
- Property must be from housing developers approved by the government
- Not applicable for auction/sub-sale properties
- Deposit contribution is a one-off grant (up to 10% of house price, capped at RM30,000)

Step-up Financing Scheme

- Malaysian citizen
- First-time homebuyer
- Aged 18 years and above
- Applicable for properties under selected government-linked housing programs (e.g., PR1MA, Rumah Selangorku, etc.)
- Household income within B40 and M40 ranges (exact limits depend on scheme collaboration)
- Must have no adverse financing records in the past 12 months
- Financing structured with lower installments in the first 5–10 years, then increases gradually

BSN MyHome Youth Housing Scheme

- Malaysian citizens aged 21–45 years
- Household income ≤ RM10,000/month
- First-time homebuyer
- Property price between RM100,000 – RM500,000 (landed or high-rise)
- 100% financing (no down payment)
- RM200/month aid for the first 2 years
- Stamp duty exemption
- Loan tenure up to 35 years or until age 65

Youth Transit Housing Scheme (MyTransit)

- Malaysian citizens aged 18–30 years
- Individual income ≤ RM3,000/month or household income ≤ RM6,000/month
- First-time homebuyer
- Provides temporary affordable housing while saving to buy a home
- Rental rates: RM250 – RM500/month (depending on location and unit size)
- Rental period: up to 5 years

Rent-to-Own (RTO) Schemes – 2025

Maybank HouzKEY

- Malaysian citizens only
- Applicant must be 18–70 years old at the point of application
- Applicant must not have more than one home financing at the point of application
- Up to three guarantors can be included to improve application success

Skim Smart Sewa

- Malaysian citizens (including partner)
- Applicant must be 18 years and above and have a family or dependents
- Household income limits:
 - Low-cost houses: ≤ RM5,000/month
 - Medium-cost houses: ≤ RM15,000/month, priority for ≤ RM10,000/month
- Applicant or spouse must live or work in Selangor
- Must not own a house in Selangor, or own a house >50km away and within 25km of workplace
- Applicant must be a Selangor voter
- Rental period: 2–5 years

PRIMA / PPR (RTO)

- Malaysian citizens
- Individual or combined household income: RM2,500 – RM15,000/month
- Single or married, aged 21 and above
- Applicant and spouse must not own more than one property
- Housing types: PR1MA (medium-cost), PPR (low-cost public housing)
- Rental period and purchase terms vary depending on program and location

Part 4: Insights from Property Professionals

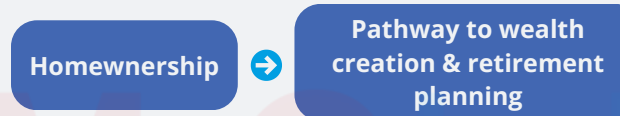
Expert: **PMgr Sr. Hj Ishak B. Ismail**
 Director, IMGlobal Property Consultants Sdn Bhd

Why Buy Early?

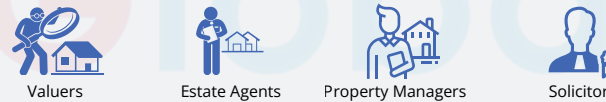
- Lock in lower prices:** Early buyers benefit from lower property costs before inflation and market increases.
- Capital appreciation:** Property bought young can grow in value over time.
- Longer loan tenure:** Banks may offer up to 35 years, reducing monthly repayments.
- Financial advantage:** More manageable installments compared to buying later in life.

Knowledge & Preparation

- Understand financing options:**
 - Interest rates and eligibility requirements
 - Save 10–20% of property price before purchase
 - Maintain a clean financial record (no CCRIS issues)
 - Leverage government incentives:
- Professional Support:**
 - Connection with industry professional for guidance
 - Build a reliable professional network
- Mindset:**
 - Discipline, knowledge, and preparation are keys to success
 - Positive and full of motivation



Industry Professionals



Key Takeaway for Young Buyers

- Buy early to maximize financial benefits
- Start affordable
- Educate yourself on financing and government schemes
- Plan for the long term – affordability, growth, and wealth creation
- Build your support network of professionals for guidance

Insights from other Expert

Expert: **Dr. Suraya Ismail**, Director of Research at Khazanah Research Institute
 She is a council member for the National Costs of Living Council (NACCOL) and National Council of Digital Economy, and member of the Panel of Experts (POE) for the Ministry of Local Government Development (KPKT)

Buy what you can afford, even **sub-sale or auction** properties



Gradually refurbish older homes as income grows

"Knowledge, preparation, and the right mindset are the keys. With full motivation, young Malaysians can achieve homeownership."
– PMgr Sr. Hj Ishak B. Ismail

In 2025, Malaysia's population is estimated at 34.2 million, with Gen Z (aged 13 to 28) forming the largest segment at 8.9 million people, or 26.0 percent, followed closely by Millennials (aged 29 to 44) with 8.4 million people, or 24.5 percent. Together, these two groups make up more than half of the national population, underscoring their growing influence as first-time homebuyers in the Malaysian property market (Department of Statistics Malaysia, Current Population Estimates 2025). Understanding their housing preferences, challenges, and financial struggles is therefore crucial in shaping both policy responses and property development strategies.

Our research shows that Gen Z and Millennials share several common considerations when planning to purchase their first home. Affordability, proximity to work, area safety, and long-term investment potential are consistently ranked among their top priorities. However, differences begin to emerge when looking deeper into lifestyle preferences and property types. Gen Z tends to lean towards high-rise living, such as apartments and studio units, which reflects both their income limitations and desire for lifestyle convenience in suburban areas with access to public transport. Millennials, by contrast, show a stronger inclination towards landed properties, particularly terrace houses, as they prioritize space and long-term suitability for family life.

This is consistent with their preference for urban living, where proximity to workplaces and the availability of city amenities are major deciding factors.

Survey findings confirm this generational contrast. Among Gen Z respondents, interest was relatively balanced across different property types, with 25 percent preferring apartments or condominiums, 27 percent choosing terrace houses, and 24 percent favoring detached homes. Millennials, on the other hand, displayed a much clearer trend, with 39 percent choosing terrace houses compared to only 29 percent for apartments or condominiums. These results highlight how life stage strongly influences decision-making, where Gen Z buyers focus on affordability and flexibility while Millennials look for stability and family-oriented housing solutions.

This generational divide is also reflected in location choices. A majority of Gen Z respondents (55 percent) preferred suburban areas, where affordability is better and family support systems remain close, but with sufficient connectivity through public transport. Millennials, however, leaned towards urban living, with 57 percent prioritizing convenience, city lifestyle, and shorter commuting distances. This demonstrates how housing demand is shaped not only by financial capacity but also by lifestyle priorities.

Despite differences in preference, both groups face the same critical hurdle: affordability. Malaysia's housing market has experienced steady price growth since recovering from the pandemic slowdown in 2020, with the national House Price Index rising from 198 points in 2019 to 227.3 points in 2024. While the annual growth rate slowed slightly in 2023 (+3 percent) and 2024 (+4 percent), house prices continue to outpace wage growth, eroding affordability for younger buyers. In 2023, the national average house price reached RM467,144, but in Kuala Lumpur it surged to RM778,485, far exceeding the affordability threshold for most first-time buyers (National Property Information Centre, 2023/2024).

The financing journey for young Malaysians further compounds this problem. With median household income at RM6,338 and mean income at RM8,479 (Department of Statistics Malaysia, Household Income and Expenditure Survey 2022), many potential buyers struggle to qualify for loans. Loan applications are often hampered by existing debt commitments, such as PTPTN loans, car financing, and credit card obligations, all of which contribute to high debt service ratios (DSR). Gen Z buyers are particularly disadvantaged by lower starting salaries, while Millennials often face heavier family-related expenses. As a result, many young Malaysians continue living with parents despite years of saving, delaying their entry into the housing market.

Recognizing these challenges, the government has introduced a wide range of housing and financing schemes to ease access. Affordable housing programmes such as RUMAWIP, Rumah Selangorku, PR1MA, PPAM, and PPR are targeted at different income brackets, while financing assistance initiatives such as Rumah Mesra Rakyat, the Housing Credit Guarantee Scheme, MyDeposit, Step-up Financing, and Rent-to-Own seek to lower entry barriers. For younger buyers, schemes such as BSN MYHome and MyTransit provide additional targeted support. More recently, tax relief measures introduced under Budget 2025–2027, including stamp duty exemptions and income tax deductions for first-time buyers, aim to further reduce upfront costs and improve market entry. While these initiatives are commendable, many potential buyers remain unaware of the schemes or struggle to meet eligibility requirements, limiting the effectiveness of such support.

Beyond financial capacity, psychological factors also play an important role in shaping first-time homebuyer behavior. Many young Malaysians are held back by what can be described as a “fear of commitment.” Concerns about overpaying in a volatile market, job insecurity, rising loan interest rates, and the daunting prospect of a 35-year mortgage often cause hesitation, even among those who technically qualify for a loan.

At the same time, others are driven by a “fear of missing out,” choosing to enter the market sooner due to expectations of rising prices, government incentives, or the recognition that rent payments are often comparable to monthly loan installments.

To provide further professional perspective, IMGlobal Property Consultants Sdn Bhd spoke with our **Director, PMgr Sr. Hj Ishak B. Ismail, FRISM, MRICS, FPEPS, FMIPFM, MIACVA, MMIEA, MBVAM, MFIABCI**, who shared his views on the importance of purchasing a first home early. Reflecting on his own experience, he emphasized that buying a house at a young age is not only about securing shelter but also about creating future wealth through property investment. “The longer we delay, the more expensive homes will become due to inflation and rising prices. Acting early allows buyers to lock in lower prices and benefit from capital appreciation in the long run.” He also highlighted that purchasing young offers a significant financial advantage, as banks are more likely to provide maximum loan tenure of up to 35 years, resulting in more manageable monthly installments compared to those who buy later in life.

He further advised young buyers to approach the process with proper knowledge and discipline, stressing that real estate can become a burden if approached without preparation.

According to him, prospective buyers must educate themselves about financing options, interest rates, and eligibility requirements while maintaining good financial discipline, particularly in saving at least 10 to 20 percent before committing to a purchase. Ensuring a clean financial record, free from CCRIS issues, is equally important in securing approval. He also pointed out the need to leverage the many government incentives currently available, such as rent-to-own schemes, stamp duty exemptions, and youth housing programmes.

Finally, he reminded Gen Z and Millennials to surround themselves with the right professional network, including valuers, estate agents, and solicitors, who can provide sound advice and guidance. “Knowledge, preparation, and the right mindset are the keys,” he said, “and with full motivation, young Malaysians can achieve their aspiration of owning their first home.”

Other property experts emphasize that young buyers should focus on affordability and long-term planning when entering the housing market. **Dr. Suraya Ismail, Director of Research at Khazanah Research Institute**, advises first-time buyers to purchase a home they can afford, even if it means considering sub-sale or auction properties. While these may be older homes, they can be refurbished gradually as income grows, allowing buyers to build value over time.

Similarly, PMgr Sr. Hj Ishak B. Ismail, Director of IMGlobal Property Consultants Sdn Bhd, highlights that purchasing early provides advantages such as longer loan tenure, lower monthly repayments, and protection against inflation-driven price hikes. He stresses that homeownership is not only a pathway to future wealth creation and retirement planning but also requires discipline in savings, strong financial literacy, and guidance from industry professionals. Both experts agree that the most important step is to start with what is affordable, build knowledge, and take advantage of available government incentives and market opportunities.

In conclusion, the Malaysian housing market is at a critical juncture where Gen Z and Millennials, who represent the majority of future buyers, face both opportunities and barriers. Gen Z buyers are younger, income-constrained, and lifestyle-driven, showing greater willingness to begin with high-rise units in suburban locations.

Millennials, meanwhile, are more established and family-oriented, demonstrating a stronger preference for landed properties in urban areas. Both groups, however, remain united by a common challenge: the widening gap between rising house prices and stagnant income growth. Without broader affordability measures, innovative financing models, and stronger awareness of available government support, homeownership will remain an uphill climb for the nation's largest generations of first-time buyers.

Stay Connected for More Updates

This marks only the beginning. Our upcoming editions will feature further highlights together with the complete monthly bulletin, offering in-depth coverage on key topics to strengthen your understanding of the Malaysian property market.

We invite you to follow us for timely updates, expert perspectives, and valuable property insights.



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- *Syarikat Perumahan Negara Berhad: Rumah Mesra Rakyat*
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