



## This week's spotlight

Keeping OPR at 3% reassures Malaysia's real estate market

### **What's going on here?**

Bank Negara Malaysia (BNM) has decided to keep the overnight policy rate (OPR) at 3% amid robust domestic demand inspite of a challenging external environment.

### **What does this mean?**

The decision to maintain the OPR at its current rate for the third consecutive time brings a sense of predictability and steadiness within the real estate sector, facilitating developers in their efforts to create new housings. This means that homeowners and potential buyers won't experience increases in their mortgage costs, and landlords won't be compelled to hike rents for their tenants due to financial stress. The steady rate is expected to reinforce the flourishing residential sector, where transactions are increasing and the property overhang is shrinking.

### **Why should I care?**

While the movement of OPR will depend on the strength of economy and the inflation trend, industry experts expect BNM to keep the rate unchange for the rest of the year.

For **28 August – 10 September 2023**

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Property Market