



PLANNING MALAYSIA:

Journal of the Malaysian Institute of Planners

VOLUME 24 ISSUE 5 (2026), Page 979 – 994

REAL ESTATE INVESTMENT DECISION-MAKING CHALLENGES AMONG GOVERNMENT-LINKED INVESTMENT COMPANIES IN MALAYSIA

**Fatin Aziz¹, Yasmin Mohd Adnan²,
Noorame Mohd Foudzy³, Zarita Ahmad Baharum⁴**

*^{1,2,3}Department of Real Estate, Faculty of Built Environment,
UNIVERSITI MALAYA MALAYSIA*

*⁴Department of Real Estate, Faculty of Built Environment,
UNIVERSITI TEKNOLOGI MARA MALAYSIA*

Abstract

Institutional real estate investment decisions in emerging economies remain underexplored, particularly among government-linked entities that must balance commercial returns with broader national development mandates. Although Malaysia government-linked investment companies (GLICs) are among the country's dominant institutional investors in the commercial real estate market, the challenges influencing their real estate investment decisions remain insufficiently understood. This study examines the challenges that influence real estate investment decisions among Malaysian GLICs. A qualitative study design was adopted, drawing on semi-structured interviews with 15 key informants directly involved in real estate investment decision-making. Thematic analysis identified challenges across two broad dimensions, namely internal and external. Internal challenges include organisational and structural constraints, behavioural biases such as herding and home bias, and social and sustainable challenges, including environmental, social, and governance (ESG) pressure and ambitious development. External challenges comprise political and geopolitical risk, macroeconomic challenges, real estate market constraints, and regulatory and legal requirements. These findings reveal a dual mandate tension between achieving risk-adjusted returns and fulfilling socio-political obligations. This study contributes to the limited literature on institutional real estate investment challenges in emerging economies and offers practical implications for fund managers, policymakers, and regulators seeking to enhance institutional real estate investment practices in Malaysia.

Keywords: Real Estate Investment, Government-Linked Investment Companies, Investment Decision-Making Challenges, Malaysia

³ Corresponding author. Email: ameyfoudzy@um.edu.my

INTRODUCTION

The rise of institutional investors in Malaysia's commercial real estate market has made effective investment decision-making even more critical. Government-Linked Investment Companies (GLICs) are key players, managing over RM2.06 trillion in assets, with RM138 billion specifically allocated to real estate. They must balance generating returns with meeting national development goals. However, GLICs face significant challenges in making real estate investment decisions. These challenges include governance inefficiencies, political influence, portfolio constraints, and behavioural biases. Research has shown that factors such as limited transparency, herding behaviour, and home bias distort rational decision-making.

GLICs struggle with additional complexities due to their dual mandate: they must comply with governance requirements while also fulfilling economic obligations. The impact of these challenges on their investment decisions is not well understood.

This paper aims to explore the internal and external factors influencing GLICs' investment choices in Malaysia's real estate market. It will provide insights to enhance institutional investment practices in the country.

LITERATURE REVIEW

Institutional Investors and Government-Linked Investment Companies (GLICs)

Institutional investors, particularly Government-Linked Investment Companies (GLICs) in Malaysia, play a crucial role in global real estate markets due to their significant capital and long-term focus. Collectively, GLICs control over a quarter of Bursa Malaysia's market capitalisation, making them key players in the country's capital market (Tan, 2019). These entities, managing approximately RM2.06 trillion in assets, have a dual mandate: to achieve commercial returns while addressing national socio-economic objectives, which complicates their investment strategies (Gomez et al., 2018).

Notably, the federal government's involvement in GLIC governance, including influence on board appointments, raises questions about accountability and transparency, especially since GLIC funding comes from public resources (Nasir et al., 2020). The allocation to real estate varies across GLICs, from 5.3% to 20% of total assets, reflecting diverse investment objectives and risk appetites (GLIC Annual Report, 2025).

Existing research has focused heavily on quantitative performance metrics, such as returns and diversification, often overlooking the internal and external challenges shaping investment decisions in the context of Malaysian GLICs (Baum & Hartzell, 2020). Internally, governance arrangements and varying institutional capabilities affect decision-making, while externally,

pressures from public fund management, policy alignment, and economic conditions limit strategic options. This interplay of factors remains insufficiently explored, highlighting a critical gap in understanding the complexities of GLIC investment decision-making in real estate.

Challenges Influencing Real Estate Investment Decisions

Institutional real estate investment decisions are shaped by interconnected macroeconomic, regulatory, market, organisational, behavioural, and sustainability factors. Although these decisions are supported by formal governance, financial modelling, and portfolio strategies, they remain vulnerable to external uncertainties and internal organisational constraints (Sirmans & Worzala, 2003; Wiegmann & Schwab, 2025).

Macroeconomic conditions strongly influence investment performance. Interest rates affect financing costs, capitalisation rates, and property valuations, while inflation influences construction costs, rental growth, and financing uncertainty. Political stability and consistent economic policies further strengthen investor confidence, whereas volatile macroeconomic conditions increase investment risk and delay capital allocation (Huang & Wagner, 2025).

A transparent and stable regulatory environment is equally critical. Clear property rights, efficient planning systems, taxation policies, and legal enforcement reduce transaction costs and investment uncertainty. In contrast, regulatory inconsistency and policy uncertainty discourage long-term investment and weaken market confidence (Jones & Trevillion, 2022; Vashist et al., 2025).

Real estate market characteristics further complicate investment decisions due to information asymmetry, illiquidity, market cycles, and asset heterogeneity. Institutional investors, therefore, assess market fundamentals including occupancy, rental growth, liquidity, and sector performance to balance expected returns against investment risk. Weak market conditions typically encourage more conservative portfolio strategies (Baum & Hartzell, 2020; Lin et al., 2026).

Despite sophisticated analytical tools, investment decisions are not entirely rational. Behavioural biases such as overconfidence, anchoring, loss aversion, and herd behaviour may distort risk assessment and asset valuation. Consequently, institutional investors increasingly rely on investment committees, independent due diligence, and data-driven technologies, including artificial intelligence, to improve decision quality and reduce subjective bias (Gavrilakis & Floros, 2022; Vashist et al., 2025).

Finally, organisational capability and ESG integration have become strategic determinants of investment success. Strong governance, leadership, and investment expertise enhance organisational adaptability, while ESG considerations are increasingly embedded into acquisition, development, and

portfolio management to improve long-term value, manage sustainability-related risks, and meet evolving stakeholder expectations (Basile, 2024; Christensen et al., 2021).

Critically, the literature largely examines these factors in isolation, despite their dynamic interactions in practice. Institutional investment decisions are rarely driven by a single determinant; rather, they reflect the combined influence of economic conditions, regulatory certainty, market dynamics, organisational capability, behavioural judgement, and sustainability priorities. This fragmented perspective highlights the need for an integrated decision-making framework that captures the interrelationships among these factors when evaluating institutional real estate investments. Table 1 shows the literature review matrix of challenges in institutional real estate investment.

Table 1: Matrix of Challenges in Institutional Real Estate Investment

Factors	Authors (Year)
Political & Geopolitical Challenges	
Political stability	Newell and Marzuki (2023); Andonov et al. (2018); van Loon and Aalbers (2017); Lieser and Groh (2014)
Transaction risk	Sirmans and Worzala (2003)
Geopolitical constraints	Wiegelmann and Schwab (2025); Nnamani et al. (2025)
Government intervention	Andonov et al (2018)
Macroeconomic Challenges	
Economic stability and fluctuation	Newell and Marzuki (2023)
Taxation issues	Wiegelmann & Schwab (2025)
Monetary policy	Sirmans & Worzola (2003); Wan et al. (2010); ; Li et al. (2023).
Inflation and recession	Anastasopoulos and Varelas (2023)
Regulatory and Legal Constraints	
Legal and rule of law	Wiegelmann & Schwab (2025)
Transparency – legal framework	Lieser & Groh (2014); Sirmans & Worzola (2003)
Restriction of capital flows & ownership control	Lieser and Groh (2014)
Lengthy Transaction process: Ownership title	Agboola and Scofield (2018)
Real Estate Market Challenges	
Transparency of real estate market	Cvijanović et al. (2021); van Loon and Aalbers (2017)
Dynamic of market cycles	Wiegelmann & Schwab (2025); Razali et al. (2019).
Investment cycle	Wiegelmann & Schwab (2025)
Diversification challenge	Baum and Hartzell (2020); Chun et al. (2004)
Behavioral Bias	
Home bias	Lee et al. (2023) and Gaar et al. (2020)
Herding	van Loon and Aalbers (2017)

Factors	Authors (Year)
Information asymmetry	Aren et al., (2016); Gavrilakis & Floros, (2022); Vashist et al., (2025)
Organization & Structural Challenges	
Mission/ Mandate	Wiegelmann & Schwab (2025)
Investment capabilities	Wiegelmann & Schwab (2025)
Lack of experience (asset manager)	Read et al. (2016)
Deficiency of knowledge in real estate investment	Read et al. (2016)
Social and Sustainability Challenges	
Investment aligns with community goals	Wiegelmann & Schwab (2025)
Social & cultural challenges	Lieser & Groh (2014)
ESG	Jalil et al. (2026); Wiegelmann & Schwab (2025)

Source: Author's Compilation

RESEARCH METHODOLOGY

This study adopted a qualitative research approach to explore the challenges influencing real estate investment decisions among Malaysian GLICs. A qualitative approach was considered appropriate because it enables an in-depth understanding of participants' experiences and perspectives within their organisational contexts, particularly in areas where empirical evidence is limited (Creswell & Poth, 2018). Data were collected through semi-structured interviews with 15 senior professionals who were purposively selected based on their direct involvement in institutional real estate investment decision-making and possessing a minimum of 10 years of professional experience. Participants were identified through GLIC organisational structures, professional networks, industry linkages, and snowball sampling and were subsequently approached via telephone and email. The participants represented six categories of Malaysian GLICs, namely private pension funds, public pension funds, armed forces pension funds, savings fund institutions, public investment institutions, and sovereign wealth funds and held positions including real estate directors, vice presidents, and investment managers, with professional experience ranging from 10 to more than 30 years. This diversity of institutions and senior management positions enabled the study to capture a broad range of perspectives on institutional real estate investment practices. A summary of the participants is presented in Table 2.

Table 2: List of Participants

Position	Years of Experience	Category of Institutional Investors	Code
Real Estate Director	14 years	Private Pension Fund	P1
Investment Manager	15 years	Private Pension Fund	P2
Real Estate Director	15 years	Private Pension Fund	P3
Vice President	15 years	Public Pension Fund	P4

Position	Years of Experience	Category of Institutional Investors	Code
Investment Manager	15 years	Public Pension Fund	P5
Vice President	15 years	Armed Forces Pension Fund	P6
Real Estate Director	> 10 years	Armed Forces Pension Fund	P7
Vice President	12 years	Saving Fund	P8
Investment Manager	> 10 years	Saving Fund	P9
Vice President	31 years	Public Investment Institution	P10
Investment Manager	> 25 years	Public Investment Institution	P11
Real Estate Director	16 years	Public Investment Institution	P12
Investment Manager	> 15 years	Sovereign Wealth Fund	P13
Investment Manager	> 30 years	Sovereign Wealth Fund	P14
Investment Manager	> 30 years	Sovereign Wealth Fund	P15

Source: Author's Compilation

Semi-structured interviews were selected because they provided a consistent interview structure while allowing flexibility to probe participants' experiences and elaborate on emerging issues (Osborne & Grant-Smith, 2021). The interview protocol was developed based on the research objectives and relevant literature, and ethical approval was obtained from the University of Malaya Research Ethics Committees (UMREC) prior to data collection. To ensure confidentiality, participants and their respective organisations were anonymised throughout the study. Each interview lasted approximately 40-50 minutes and was conducted either face-to-face or online, depending on participants' availability. With participants' consent, all interviews were audio-recorded. Based on Saunders et al. (2018) the data saturation was reached between the 14th and 15th interviews, as subsequent interviews yielded no new data. The interview data were analysed using thematic analysis following the six-phase framework proposed by Braun and Clarke (2006). The analysis began with transcript familiarisation and data cleaning, followed by coding and data management in Atlas.ti. Both inductive and deductive coding were employed, allowing themes to emerge from participants' narratives while being informed by the literature. The codes were organised, reviewed, and refined into higher-order themes. The identified themes were subsequently validated by a panel of four industry experts to assess their relevance and applicability.

ANALYSIS AND DISCUSSION.

The thematic analysis identified two overarching themes that characterise the challenges influencing real estate investment decision-making among Malaysian GLICs: internal and external challenges. These themes comprise seven interrelated categories derived from the coding process, as illustrated in Figure 1. Internal challenges arise from organisational and governance constraints, behavioural biases, and social and sustainability considerations, while external

challenges stem from political and geopolitical risks, macroeconomic conditions, real estate market conditions, and regulatory and legal requirements.

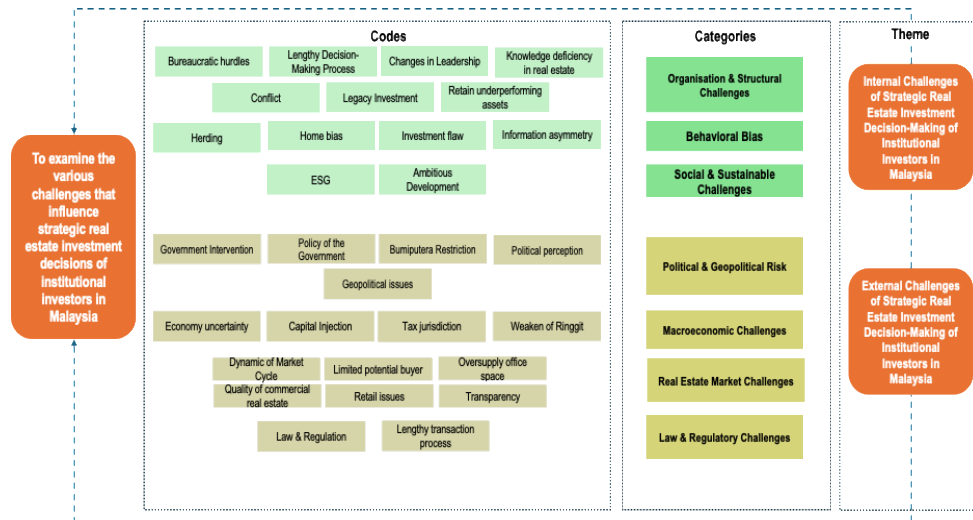


Figure 1: Thematic Framework of Challenges Influencing Real Estate Investment Decisions Among Malaysian GLICs
Source: Author's 2026

Internal Challenges

Organisational and Structural Challenges

Organisational and structural challenges emerged as one of the most significant internal factors influencing real estate investment decisions among Malaysian GLICs. Participants consistently identified bureaucratic hurdles, lengthy approval processes, leadership changes, limited real estate expertise among decision-makers, internal conflicts arising from competing institutional objectives, and the persistence of legacy investments and retaining underperforming assets as major constraints on effective investment decisions. Bureaucratic hurdles were consistently cited as a challenge, with investment proposals required to undergo multiple layers of reviews and approval before receiving final endorsement. As one participant explained, *“the approval process can be lengthy, often taking up to a year”* (P8), while another noted that *“the proposal must pass through several committees, resulting in delayed feedback and slower decision-making”* (P3). These lengthy procedures reduce organisational responsiveness, making it difficult for GLICs to compete with private institutional investors that can respond quickly to market opportunities. Participants further observed that frequent changes in senior leadership,

particularly chief executive officers and chief investment officers, disrupt strategic continuity as each new leadership team often introduce different priorities and investment directions. In addition, several participants highlighted that senior decision-makers possess strong financial expertise but limited knowledge of the real estate sector, which increases the likelihood of acquiring assets at above-market prices or overlooking attractive investment opportunities. Internal conflicts also arise from the GLIC's dual mandate of delivering commercial returns while supporting national socio-economic objectives, requiring investment decisions to balance financial performance with broader public policy considerations. Finally, participants explained that conservative governance practices, political sensitivities, and reputational concerns surrounding asset disposals often result in the retention of underperforming assets and legacy investments. These organisational and structural challenges reduce institutional responsiveness, delay investment execution, and constrain GLIC's ability to optimise portfolio performance within an increasingly competitive real estate market.

Behavioural Biases

Behavioural biases also emerged as another important internal challenge for GLICs. Although investment decisions are guided by formal governance frameworks, investment policies, and quantitative evaluation processes, participants acknowledged that behavioural tendencies continue to shape investment judgment. Home bias was identified as the most prominent bias, with Participants indicated a strong preference for domestic real estate investment due to policy direction, market familiarity, and information advantages. As participant P1 explained, *"sometimes, there are instructions from the MoF to invest in the local market,"* while P2 noted that *"we have the advantage of information when we invest in our home country"*. Although this preference supports national development objectives and reduces perceived investment risk, participants recognised that it may constrain international diversification and limit opportunities to optimise risk-adjusted portfolio returns. Participants also reported evidence of herding behaviour, whereby investment decisions are influenced by the strategies of leading institutional investors, such as Singapore's Government Investment Corporation (GIC) and Temasek, or by prevailing market trends, as these are perceived to reduce uncertainty and provide confidence in unfamiliar investment environments. Other participant P8 also noted that *"we sometimes follow the trends of other institutional investors. We invest in the market where other main players are, this is for liquidity"*. These findings are consistent with previous studies suggesting that institutional investors often regard peer investment activities as valuable informational signals under conditions of market uncertainty (Ahiadu et al., 2025). Furthermore,

information asymmetry was identified as a significant challenge, particularly in overseas investments where limited local knowledge and an unfamiliar regulatory environment increase investment uncertainty. One participant recalled an overseas investment in the United Kingdom that was unexpectedly affected by government land acquisition despite extensive due diligence, illustrating the limitations of available information. Participants further highlighted that investment flaws may arise from overly optimistic assumptions, premature market entry, and inadequate assessment of market fundamentals and tenant demand, especially when investment decisions are influenced by broader national development objectives rather than commercial considerations. These findings indicate that Malaysian GLICs exhibit several behavioural biases that influence investment judgement, portfolio diversification, and strategic real estate investment decisions.

Social and Sustainable Challenges

Social and sustainability challenges also emerged as an internal factor influencing real estate investment decisions among Malaysian GLICs. The findings indicate that institutional investors are under increasing pressure to align investment decisions with Environmental, Social, and Governance (ESG) principles while fulfilling their broader nation-building responsibilities. Participants acknowledged that ESG considerations, including green-certified buildings, energy-efficient operations, responsible governance, and sustainable developments, are becoming increasingly important in property investment decisions, as noted by P8, *“moving towards ESG, where we tend to invest in buildings that have green certification”*. However, the implementation of ESG remains uneven across institutions, with several GLICs having established sustainability frameworks while others are still in the early stages of integrating ESG into their investment strategies. Participants further highlighted that ambitious development projects, often undertaken to support national economic and regional development, may thus expose institutions to higher commercial risks when market demand and sector maturity are insufficient. These findings suggest that GLICs must balance financial performance with environmental and social responsibilities, reflecting the growing importance of sustainable investment practices in institutional real estate. This is consistent with previous studies, which argue that ESG considerations have become an integral component of institutional real estate investment due to their contribution to long-term value creation, risk management, and stakeholder expectations (Baum & Hartzell, 2020).

External Challenges

Political and Geopolitical Risk

Political and geopolitical challenges have emerged as significant external factors influencing real estate investment decisions among Malaysian GLICs. Participants consistently emphasised that government intervention, policy uncertainty, Bumiputera ownership requirements, political expectations, and geopolitical developments shape investment strategies and portfolio allocation. Although GLICs function as independent institutional investors, several participants acknowledged that government policies and national development priorities continue to affect investment decisions. For example, one participant stated, “*We occasionally receive directives from MoF, for instance, a need to increase investment in Malaysia, particularly in ESG-related investment*” (P4). Another participant noted that frequent changes in government policies create uncertainty for long-term investment planning. Participants also identified the Bumiputera equity requirement as a significant constraint during property disposals, as it limits the pool of potential buyers and extends transaction periods, particularly for high-value commercial assets. While these policies support socio-economic objectives and protect national interest, participants recognised that they may reduce market liquidity and limit investment flexibility. This finding aligns with previous studies, which identify political stability, government policies, and regulatory intervention as important determinants of institutional real estate investment decisions (Bolomope et al., 2024; Nnamani et al., 2025).

Participants further explained that political perceptions and geopolitical developments influence both domestic and international investment strategies. Several participants observed that GLICs are sometimes expected to support government objectives through strategically important development projects, which can create tension between commercial objectives and broader public policy goals. Additionally, geopolitical uncertainty resulting from changing trade relations, foreign regulations, and global political instability was perceived to increase the risks associated with overseas real estate investment. As a result, participants indicate a preference for politically stable jurisdictions with predictable regulatory environments. Overall, the findings suggest that political and geopolitical challenges affect GLICs not only through formal government policies and regulatory requirements but also by shaping risk appetite, investment timing, and strategic allocation decisions, consistent with the observations of Baum and Hartzell (2020), and Brueggeman and Fisher (2021).

Macroeconomic Challenges

Macroeconomic challenges represent a significant external factor influencing real estate investment decisions among Malaysian GLICs. Participants consistently emphasised that economic uncertainty, capital injection obligations, taxation, and

currency volatility shape investment strategies and portfolio performance. Economic uncertainty, characterised by fluctuating economic growth, inflation, interest rates, and declining investor confidence, was perceived to reduce occupancy rates, delay investment decisions, and encourage more conservative strategies focused on stable, income-generating assets. As one participant reflected, *“from a market perspective, the current investment climate is not very favourable due to economic uncertainty and reduced investors' confidence”* (P8). Participants further noted that GLICs are sometimes required to support national economic objectives by making capital injections during periods of financial distress, reflecting their dual mandate to achieve commercial returns and contribute to economic stability. As stated, *“In other cases, such as saving other companies, institutions must come in to buy over their building during a financial crisis”*. Additionally, several participants highlighted the increasing impact of tax jurisdiction and newly introduced fiscal policies, such as the expansion of the service tax and property-related levies. One participant observed, *“The recently introduced service tax directly impacts retail services”* (P11). These tax adjustments affect operating margins and investment returns, particularly in the retail and commercial sectors, which are already under pressure from weak demand. Furthermore, currency volatility and the weakening of the Malaysian Ringgit present additional macroeconomic risk for institutional investors with foreign real estate exposure. As explained by the participant, *“The challenge is when the Ringgit is weakened, this is when Bank Negara Malaysia stepped in to control the Ringgit, any currency exchanged had to get their approval”* (P6). Such intervention measures, while stabilising the economy, constrain transaction flexibility and delay capital movement. These findings are consistent with Brueggeman and Fisher (2021) and Baum and Hartzell (2020), who note that exchange rate volatility is among the most critical risk factors for global institutional investors, particularly those from emerging markets.

Real Estate Market Challenges

Challenges within the real estate market emerged as a significant external factor. Participants identified property market cycles, limited market liquidity, oversupply of office space, the shortage of investment-grade assets, retail market weakness, and market transparency as key issues affecting portfolio performance and investment strategies. Liquidity constraints, particularly those resulting from Bumiputera ownership requirements, were noted to reduce the pool of potential buyers and prolong asset disposal, thereby limiting portfolio optimisation. Persistent oversupply of office space in major urban centres has increased vacancy rates and compressed rental growth, reducing the attractiveness of office investments. These findings align with previous studies indicating that market cycles, liquidity constraints, and structural imbalances are among the primary

challenges facing institutional real estate investors in emerging markets (Huangfu et al., 2024). Participants further emphasised, *“most of our investment is in the global market because there is inadequate availability of good quality commercial assets in the local market”* (P2). The limited availability of high-quality commercial assets domestically has encouraged GLICs to expand investments into overseas markets that offer higher-quality tenants, better building standards, and more stable income streams. Additionally, the retail sector was perceived as increasingly challenging due to changing consumer behaviour, inflation pressures, and rising operating costs, prompting several institutions to diversify into sectors such as logistics, healthcare, and data centres. Market transparency was also identified as a critical consideration. As participants observed, *“we refrain from investing in countries with lower transparency”* (P 2). For international investments, reliable market information and transparent regulatory systems were seen to improve investment confidence and reduce due diligence risks. Overall, the findings suggest that real estate market conditions significantly influence asset selection, portfolio diversification, and long-term investment performance. This supports previous research demonstrating that institutional investors are more likely to allocate capital to markets characterised by greater transparency, liquidity, and the availability of investment-grade assets (Cvijanović et al., 2021; Fabozzi & Fabozzi, 2020).

Regulatory and Legal Challenges

Regulatory and legal factors are also identified as challenges in GLICs' real estate investment decisions. Participants consistently reported that complex legal frameworks, lengthy approval procedures, and multi-layered governance structures reduce investment efficiency and responsiveness. Although these regulatory mechanisms are designed to ensure transparency, accountability, and prudent investment decisions, they often prolong transaction processes and increase administrative costs. Participants noted that property acquisitions and disposals involving GLICs commonly require multiple approvals from internal committees, government agencies, and ministerial authorities, and that transactions often take between six months and one year to complete. As the participant explained, *“the transaction will take around six months to one year in the local market.”* (P11). Such procedural delays reduce GLICs' ability to compete with private investors in securing time-sensitive investment opportunities. These findings are consistent with previous studies that identify regulatory complexity and legal requirements as significant constraints on institutional real estate investment decisions (Ahiadu et al., 2024; Bolomope et al., 2020).

The thematic analysis demonstrates that the challenges affecting real estate investment decisions are interrelated rather than independent. Internal organisational capabilities and governance structures determine how investment opportunities are assessed and executed, whereas external factors, such as political, economic, market, and regulatory conditions, shape the opportunities and constraints faced by institutional investors. These challenges require Malaysian GLICs to balance commercial investment objectives with statutory responsibilities and long-term portfolio resilience, illustrating the complexity of institutional real estate investment in an emerging market.

CONCLUSION

This study examines the challenges affecting real estate investment decisions by Malaysian Government-Linked Investment Companies (GLICs) through interviews with experienced fund managers and professionals. The findings show that these decisions are influenced by both internal and external challenges. Internal challenges include organisational issues, behavioural biases, and considerations related to social responsibility and sustainability. External challenges encompass political risks, macroeconomic conditions, real estate market issues, and regulatory constraints. This indicates that institutional investment decisions go beyond traditional financial analysis and are shaped by governance, policy environments, market dynamics, and broader socio-economic goals.

The study adds to the literature on institutional real estate investment by providing insights from an emerging market where investors must balance commercial and public policy mandates. Unlike previous research that has looked at these challenges separately, this study offers a holistic view of how various factors interact in the decision-making process of Malaysian GLICs. From a practical perspective, the findings highlight the need for the GLIC board to strengthen corporate governance by enhancing oversight and organisational responsiveness in real estate investment decision-making. Fund managers should strengthen investment assessment, real estate expertise, and ESG integration, while regulators and policymakers should reform regulatory and approval processes to facilitate more effective real estate investment decisions. Addressing these challenges would enable GLICs to respond effectively to changing market conditions.

It is important to note that this study is limited to Malaysian GLICs and focuses on direct real estate investment, meaning the findings may not apply to other types of institutional investors or contexts. Future research could explore different institutional investors, such as insurance companies and state-owned enterprises (SOEs), to compare their real estate decision-making processes.

REFERENCES

- Agboola, A. O., & Scofield, D. (2018). Time to completion in the Lagos commercial real estate market: an examination of institutional effects. *Journal of Property Research*, 35(2), 164-184. <https://doi.org/10.1080/09599916.2018.1436582>
- Ahiadu, A. A., Abidoye, R. B., & Yiu, T. W. (2024). Decision-Making Amid Economic Uncertainty: Exploring the Key Considerations of Commercial Property Investors. *Buildings*, 14(10), 3315. <https://www.mdpi.com/2075-5309/14/10/3315>
- Ahiadu, A. A., Abidoye, R. B., & Yiu, T. W. (2025). How Should Property Investors Make Decisions Amid Heightened Uncertainty: Developing an Adaptive Behavioural Model Based on Expert Perspectives. *Buildings*, 15(20), 3648. <https://www.mdpi.com/2075-5309/15/20/3648>
- Anastasopoulos, I., & Varelas, S. (2023). A Literature Review and Emerging Trends on key Topics of Risks and Challenges Facing Tourism real Estate Investments. Proceedings of the European Conference on Innovation and Entrepreneurship, ECIE,
- Andonov, A., Hochberg, Y. V., & Rauh, J. D. (2018). Political representation and governance: Evidence from the investment decisions of public pension funds. *THE JOURNAL OF FINANCE*, 73(5), 2041-2086.
- Basile, I. (2024). Institutional Investors. In *Contributions to Finance and Accounting* (Vol. Part F3587, pp. 3-29). https://doi.org/10.1007/978-3-031-59819-7_1
- Baum, & Hartzell. (2020). *Real Estate Investment and Finance_ Strategies, Structures, Decisions* (2 ed.). John Wiley & Sons Ltd.
- Bolomope, M., Amidu, A.-R., Filippova, O., & Levy, D. (2020). Property investment decision-making behaviour amidst market disruptions: an institutional perspective. *Property Management*, 39(1), 1-21. <https://doi.org/10.1108/pm-06-2020-0042>
- Bolomope, M., Amidu, A. R., Levy, D., & Filippova, O. (2024). Understanding the disruption-driven investment decision-making strategy of listed property trusts in New Zealand. *Journal of Property Research*, 41(3), 228-250. <https://doi.org/10.1080/09599916.2024.2321363>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101. <https://doi.org/10.1191/1478088706qp063oa>
- Brueggeman, W. B., & Fisher, J. D. (2021). *Real estate finance and investments*. McGraw-Hill Higher Education.
- Christensen, P. H., Robinson, S., & Simons, R. (2021). Institutional investor motivation, processes, and expectations for sustainable building investment. *Building Research & Information*, 50(3), 276-290. <https://doi.org/10.1080/09613218.2021.1908878>
- Chun, G. H., Sa-Aadu, J., & Shilling, J. D. (2004). The role of real estate in an institutional investor's portfolio revisited [Article]. *Journal of Real Estate Finance and Economics*, 29(3), 295-320. <https://doi.org/10.1023/B:REAL.0000036675.46796.21>
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative Inquiry & Research Design: Choosing Among Five Approaches* (4th ed.). SAGE Publication Inc. .

- Cvijanović, D., Milcheva, S., & van de Minne, A. (2021). Preferences of Institutional Investors in Commercial Real Estate. *The Journal of Real Estate Finance and Economics*, 65(2), 321-359. <https://doi.org/10.1007/s11146-020-09816-y>
- Fabozzi, F. J., & Fabozzi, F. A. (2020). *Fundamentals of institutional asset management*. World Scientific.
- Gaar, E., Scherer, D., & Schiereck, D. (2020). The home bias and the local bias: A survey. *Management Review Quarterly*, 72(1), 21-57. <https://doi.org/10.1007/s11301-020-00203-8>
- Gavrilakis, N., & Floros, C. (2022). The impact of heuristic and herding biases on portfolio construction and performance: the case of Greece. *Review of Behavioral Finance*, 14(3), 436-462. <https://doi.org/10.1108/RBF-11-2020-0295>
- Gomez, Thirshalar, P., & Norfaryanti, K. (2018). *Minister of Finance Incorporated: Ownership and Control of Corporate Malaysia*. Palgrave Macmillan. <https://doi.org/10.1007/978-981-10-4897-5>
- Huang, T. M., & Wagner, A. (2025). Interest Rate Risk on Real Estate Exchange-Traded Funds [Article]. *Journal of Investing*, 35(1), 47-57. <https://doi.org/10.3905/joi.2025.1.366>
- Huangfu, Y., Yu, H., Dong, Z., & Wang, Y. (2024). Research on the risk spillover among the real economy, real estate market, and financial system: Evidence from China. *Land*, 13(6), 890.
- Jalil, R. A., Razali, M. N., Hamid, M. Y. A., Yassin, A. M., & Amin, S. A. M. (2026). ENVIRONMENTAL SOCIAL GOVERNANCE IN PROSPERING THE MALAYSIA LISTED REAL ESTATE COMPANIES' PERFORMANCE. *Planning Malaysia*, 24.
- Jones, C. A., & Trevillion, E. (2022). *Real Estate Investment: Theory and Practice*. Springer International Publishing. <https://books.google.com.my/books?id=6SKDEAAAQBAJ>
- Lee, J., Lee, K., & Oh, F. D. (2023). International portfolio diversification and the home bias puzzle. *Research in International Business and Finance*, 64. <https://doi.org/10.1016/j.ribaf.2022.101807>
- Li, S. G., Xu, X. Y., Liu, Q. H., Dong, Z., & Dong, J. C. (2023). Financial Development, Real Estate Investment and Economic Growth [Article]. *Applied Economics*, 55(54), 6360-6377. <https://doi.org/10.1080/00036846.2022.2154313>
- Lieser, K., & Groh, A. P. (2014). The Determinants of International Commercial Real Estate Investment. *The Journal of Real Estate Finance and Economics*, 48(4), 611-659. <https://doi.org/10.1007/s11146-012-9401-0>
- Lin, Y.-C., Marzuki, J., & Lee, C. L. (2026). Portfolio Asset Allocation Strategy for US Unlisted Sector-Specific Real Estate Across Interest Rate Cycles. *Buildings*, 16(2), 308.
- Nasir, W. A. S., Hassan, R., & Tijani, I. M. (2020). Malaysian's Government Linked Investment Companies: Is There a Need for Shariah Governance Framework? (Syarikat Pelaburan Berkaitan Kerajaan Malaysia: Adakah Adakah Perlu Rangka Kerja Tadbir Urus Syariah?). *Journal of Islam in Asia (E-ISSN 2289-8077)*, 17(2), 198-222. <https://doi.org/10.31436/jia.v17i2.961>

- Newell, G., & Marzuki, M. J. (2023). The impact of the COVID-19 crisis on global real estate capital flows. *Journal of Property Investment & Finance*, 41(5), 553-573. <https://doi.org/10.1108/jpif-04-2023-0031>
- Nnamani, O. C., Ogbuefi, J. U., & Egbenta, I. R. (2025). Assessment of risk factors affecting real estate development projects in Nigeria. *Journal of Property Investment & Finance*, 1-18. <https://doi.org/10.1108/jpif-03-2025-0034>
- Osborne, N., & Grant-Smith, D. (2021). In-Depth Interviewing. In S. Baum (Ed.), *Methods in Urban Analysis* (pp. 105-125). Springer Singapore. https://doi.org/10.1007/978-981-16-1677-8_7
- Razali, M. N., Hamid, M. Y., & Zekri, M. M. (2019). The dynamic of volatility of Pan-Asian property portfolio markets. *Planning Malaysia*, 17.
- Read, D. C., Hopkins, E., & Goss, R. C. (2016). Working effectively with asset managers and institutional groups. *Property Management*, 34(4), 280-296.
- Saunders, B., Sim, J., Kingstone, T., Baker, S., Waterfield, J., Bartlam, B., Burroughs, H., & Jinks, C. (2018). Saturation in qualitative research: exploring its conceptualization and operationalization. *Quality & Quantity*, 52(4), 1893-1907. <https://doi.org/10.1007/s11135-017-0574-8>
- Sirmans, C. F., & Worzala, E. (2003). International Direct Real Estate Investment: A Review of the Literature. *Urban Studies*, 40(5-6), 1081-1114. <https://doi.org/10.1080/0042098032000074335>
- Tan, P. T. Y. (2019). Institutional Investor Stewardship in the UK and Malaysia: Functionally Similar, Contextually Challenged. *Asian Journal of Comparative Law*, 14(2), 279-304. <https://doi.org/10.1017/asjcl.2019.31>
- van Loon, J., & Aalbers, M. B. (2017). How real estate became 'just another asset class': the financialization of the investment strategies of Dutch institutional investors. *European Planning Studies*, 25(2), 221-240. <https://doi.org/10.1080/09654313.2016.1277693>
- Vashist, D. D., Sharma, M., & Pandey, P. (2025). The role of behavioral finance in shaping economic decision-making: Insights from AI and big data integration. In *Understanding Human Decision-Making in Economic Models* (pp. 27-64). <https://doi.org/10.4018/979-8-3693-8166-3.ch002>
- Wan, L. J., Bu, W. B., & Zhang, Y. (2010). Analysis of macro factors affecting the real estate investment in the financial post-crisis period. Proceeding - 5th International Conference on Computer Sciences and Convergence Information Technology, ICCIT 2010,
- Wiegmann, T., & Schwab, W. H. (2025). Practice Briefing: Understanding investor archetypes in real estate. *Journal of Property Investment & Finance*, 1-16. <https://doi.org/10.1108/jpif-06-2025-0080>

Received: 31st July 2026. Accepted: 9th September 2026