

EXCLUSIVE REPORT

ISKANDAR MALAYSIA

A CITY OF FAST MOVING DEVELOPMENT

Iskandar Malaysia is the main southern development corridor in Johor. With a target achievement of 2025, Iskandar Malaysia plans to become an internationally competitive and resilient region.

Positioned as South East Asia's premier specialty terminal, Flagship D is home to Tanjung Langsat Port and Johor Port – boosting trades with the likes of Singapore and other countries.

In this issue, Property Hunter highlights the prominence of flagship zones A & D in Johor.

Aerial view of Sultan Iskandar CIQ, photo courtesy of IRDA



ISKANDAR MALAYSIA

THE MAIN SOUTHERN DEVELOPMENT CORRIDOR IN JOHOR

Iskandar Malaysia is set to become Southern Peninsular Malaysia's most developed region where living, entertainment, environment and business impeccably converge within a bustling metropolis.

View of Danga Bay, photo courtesy of Iskandar Waterfront Holdings

FLAGSHIP A: JOHOR CENTRAL BUSINESS DISTRICT (CBD)

Johor Bahru City Centre is Flagship Zone A, a development of a new financial district, the central business district, the waterfront city of Danga Bay, a mixed development in Tebrau Plentong and the Malaysia/Singapore Causeway.

Flagship A covers 18,433 acres, confined by Pasir Gudang highway up north, Sungai Tebrau to the east, Sungai Skudai to the west and the Straits of Johor. Other than Johor Bahru city centre, the key areas in Flagship A are the industrial area of Tampoi, and the mixed residential and commercial areas of Pelangi, Larkin, Majidee, Tebrau and Danga Bay.

Johor Bahru, originally called Tanjung Puteri was founded in 1855 by Temenggong Daeng Ibrahim. The city centre is now the primary area for commercial and trading activities. Its role as an administrative centre is shared with Kota Iskandar, the new state administrative centre for the state of Johor. The completion of Sultan Iskandar Customs, Immigration and Quarantine Complex in 2008 next

to the present Johor Bahru railway station has strengthened its function as the southern gateway of Malaysia, making it the largest custom and immigration centre in the country.

Johor Bahru City, also known as JB, is a quarter size of neighboring Singapore and has about a million residents. There are about another two million staying in its outskirts and together

with its vicinity, makes it one of the fastest growing cities of Malaysia.

In 2015, an influx of approximately twenty million visitors were anticipated to visit Iskandar. It is also anticipated that there will be further development of a rapid transit hub at the doorsteps of the CIQ to be a connection point between the Singapore Mass Rapid Transit (scheduled to be operational by

2018) and Iskandar Malaysia. Another Light Rapid Transit hub (serving fast and light mass transport) is also scheduled to be built at Kempas Interchange to serve as the transport hub for Southern Johor and Iskandar Malaysia.



KEY LANDMARKS

Danga Bay

Danga Bay or Teluk Danga is the largest recreational park in the city of Johor Bahru. Many interesting events are held there especially during festive seasons. Danga Bay is also sometimes referred to as the "Vision City of the South". Danga Bay Phase 1 makes up 240 acres of an integrated Waterfront Development comprising financial, commercial, residential, lifestyle, leisure and family-oriented tourism development.

The Causeway

The Johor-Singapore Causeway is a 1,056 metre causeway that links the city of Johor Bahru in Malaysia across the Straits of Johor to the town of Woodlands in Singapore. It serves as a road, rail and pedestrian link,

in addition to supporting the water pipeline system into Singapore. On a typical day, it carries approximately 60,000 vehicles.

Istana Bukit Serene

Istana Bukit Serene in Johor is the palace of the Sultanate of Johor. The palace is located on high ground and has a 35-metre high tower. The Istana Bukit Serene was built in 1938 and is the official residence of the Sultan of Johor.

City Centre

Given city status in 1994, Johor Bahru is a fast growing city. Latest census figures indicate that it is fast becoming Malaysia's second largest city, with a population of over 1 million. Shopping opportunities flourish in Johor Bahru. Modern malls, arcades, handicraft centres, bazaars and markets offering

international and local products all compete for attention.

Sultan Ibrahim Building, Bukit Timbalan

Constructed in the 1940s, the Sultan Ibrahim Building dominates the Johor Bahru skyline. The Japanese army used it during World War II in their final assault on Singapore. The Saracenic character and mosaic detail make this one of the most interesting buildings in Johor Bahru.

Customs, Immigration and Quarantine Complex (CIQ)

Located at Bukit Cagar, the Customs, Immigration and Quarantine Complex (CIQ), occupies an area of 232,237 square metres. It is the largest of its kind in Malaysia. Comparisons have been made to Kuala Lumpur International

Airport and Singapore Airport, which are also major entry points into Malaysia and Singapore, respectively.

The CIQ, which was unveiled to the public in 2008, is a very large complex at the causeway to Singapore that accommodates Malaysian customs checks for cars, trucks, buses and the JB Sentral train station. CEO of Ho Chin Soon, Ishmael Ho, said "since time immemorial, human beings were inclined towards places of livelihood. In today's milieu, people gravitate to economic activity areas".

As Iskandar Malaysia's economy is tied closely with Singapore, proximity is important. Distance and travelling period play an important role in terms of proximity.

For Flagship A:

Rapid Transit System (RTS) is the hero. Forget High Speed Rail (HSR). RTS is expected to operate in 2019, meanwhile citizens will see the completion of HSR in 2026, some 10 years from now. The RTS will see Bukit Chagar as the terminating station, which links Johor Bahru and Singapore.

For Flagship D:

Many forgotten that several months ago in a Star Interview, the Sultan himself, Sultan Ibrahim Ismail, hinted of a 3rd bridge, connecting a district from Stulang Laut Johor towards Changi Airport. Having a 3rd bridge will pose a great deal of advantages for example:

- 1. Better land connectivity
- 2. Benefit industrialists for their air

cargo imports and exports via Changi Airport.

There are speculations on a development of an internal bridge from somewhere within close proximity of Tanjung Langsat to the West-East sea across, to link Pengerang and Desaru, ensuring better and easier accessibility.

Sources:

1. <https://iskandardevelopment.wordpress.com/2013/07/09/flagship-a-iskandar-malaysia/>,
2. <http://www.iskandarproject.com/flagshipa.html>,
3. <https://iskandardevelopment.wordpress.com/2013/07/09/flagship-a-iskandar-malaysia/>

FLAGSHIP D: EASTERN GATE DEVELOPMENT

Flagship D covers Pasir Gudang Port, Pasir Gudang Industrial Park, Tanjung Langsat Port and Tanjung Langsat Industrial Complex.

This township is set to be a high growth region driven by the services sectors and with continuous support from selected manufacturing sectors especially the existing key economic drivers, namely electrical and electronics (E&E), oleochemical, petrochemical and food processing. Flagship D has the largest concentration of palm oil refining industries and downstream activities in the world.

With state-of-the-art-facilities to reveal in, Iskandar Malaysia is a destination filled with infrastructure and one-stop business centres to ensure business transactions are fast, seamless and convenient.

To achieve this target, the nine promoted sectors are categorized into two groups namely the core sectors and the emerging sectors.

CORE SECTORS

-  Electrical & Electronics
-  Petro Chemical and Oil & Gas
-  Food & Agroprocessing
-  Logistics
-  Tourism

Core Sectors are sectors that have been long established in Iskandar Malaysia. They are stable economic drivers, with strong horizontal and vertical

linkages and a complete ecosystem with high value added and employment contribution to the region. Not all core sectors are strong and vibrant, thus further actions are needed to strengthen them.

EMERGING SECTORS

-  Finance, Insurance, Real Estate & Business Services (FIREBS)
-  Creative
-  Health Services
-  Education Services

Contrariwise, Emerging Sectors are newly induced. Their horizontal and vertical linkages with other industries have great potential to be developed to drive economic growth.

With a target achievement of 2025, Iskandar Malaysia plans to become an internationally competitive and resilient region. They believe that the core promoted economic sectors shall be geared towards higher value added activities and deeper cluster linkages. On the other hand, the growth of emerging sectors shall be supported by a complete ecosystem.

Transformation of Johor Port and Tanjung Langsat Port

Johor Port

Johor Port Bhd (JPB) services include cargo handling for a diverse range of cargo, namely, dry cargo, general cargo, liquid bulk and containers. They also include the endowment of marine services such as towage, piloting, ship-to-ship transfer, bunkering and supply of fresh water. Port facility management includes the running of the Johor Port Free Zone, property management and

warehousing. Johor Port is a subsidiary of MMC Corporation Berhad.

The port itself was established in 1977 under a government authority and all operations were fully privatized in 1995 under JPB. Being a part of the MMC group of companies, the company managed to prove itself as a capable operator and a profitable venture. The reasons behind its success are:

- **Customer Focus.** JPB uses every new requirement as a catalyst for the further development of its infrastructure. Every new customer entering the port becomes part of a valued community working towards their shared development.
- **Diversity of Services.** JPB provides facilities for the handling of many types of cargo and provides services across more than one mode of cargo. For example, raw materials can be received in liquid bulk form, processed in the Free Zone or the surrounding industrial area, and then exported via containers. Thus, there is an enormous potential for savings in terms of cost and time to be gained due to the options available for cargo handling.

Tanjung Langsat Port

Tanjung Langsat Port (TLP) is the third port in Johor, designed to complement the Port of Tanjung Pelepas and Johor Port in Pasir Gudang. Placing itself as Southeast Asia's premier forte, it handles bulk cargo such as liquefied petroleum gas (LPG) and dangerous chemicals. Established in 1995 and begun partial operations in 2003, TLP is situated 22km from the international shipping lane, 5km from Johor Port and 30km from Johor Bahru. It has more than 750 acres of land within the port area and a 4.5km shoreline fronting the Straits of Johor.

The 1,000-acre port, operated by Tanjung Langsat Port Sdn. Bhd. (TLP), a wholly owned subsidiary of JCorp, is a dedicated and steadfast port with the ability to meet the demand for petroleum, petrochemical, edible oil and bulk dry cargo handling facilities. Endowed with a 4.5-kilometre shoreline ideal for O&G and marine-related industries, the port's development is divided into four zones – storage terminals, oilfield services & equipment (OFSE), regional marine supply base and offshore fabrication maritime hub.

Property Outlook

As quoted on the Iskandar Malaysia website, "Iskandar Malaysia houses are generally built with the greening nature in mind because we know, you just love nature. We make the best of living environment to flaunt our beautiful sunny and breezy tropical climate."

Ricky Lee, Executive Director of Knight Frank Malaysia (Johor Head) shares some information about the property outlook in Johor (see table below).

Other Key Developments for Flagship A

Ibrahim International Business District (IIBD):

Regeneration project for the Johor Bahru CBD. Including the Sungai Senget Transformation project, and the development of Coronation Square, a RM3 billion GDV mixed residential, commercial and medical suite development.

High Speed Rail and Rapid Transport System:

Both are vital infrastructure upgrades aimed at improving travel between Singapore, Iskandar Malaysia and Kuala Lumpur. These projects when completed will be greatly beneficial to the region and property located in the vicinity to station locations can expect to be hotly contested.

Flagship A also sees Bukit Chagar, Bukit Senyum and along the Tebrau Highway as one of the main hotspots as these are likely locations for HSR and RTS Stations.

This is the core of Johor Bahru and is a prime location for Residential and Commercial properties. Furthermore JB's first Grade A office building at Komtar JBCC will be available soon.

Flagship D however sees Mah Sing's Meridin East and EcoWorld's Eco Tropic developments popular with the market. These project have products in a more affordable spectrum and is seeing a good response. Located between the business district of Flagship A and the RAPID development over in Pengerang, Flagship D is in a strategic position

Sources:

1. <http://iskandarmalaysia.com.my/promoted-sectors/>,
2. <http://www.worldwidepropertyinvestment.com/flagship-d.html>
3. Executive Director of Knight Frank Malaysia (Johor) – Ricky Lee
4. <http://iskandarmalaysia.com.my/housing/>
5. <http://www.jcorp.com.my/tanjung-langsat-port-sdn-bhd-105.aspx>

PROPERTY OUTLOOK IN JOHOR FLAGSHIP A

Name	Location	Developer	No of Units	Floor Area (sq ft)	Price, from (RM/sq ft)	Development Status
Pinnacle Tower	Jalan Dato Abdullah Tahir, Johor Bahru	Mahabuilders Berhad	273	1,115 – 1,427	800-950	Ongoing
Twin Galaxy Luxury Residences	Jalan Dato Abdullah Tahir, Johor Bahru	Golden Oriental Realty Sdn Bhd	668	560 – 3,100	800	Completed
Sky Suites	Jalan Bukit Meldrum, Johor Bahru	Mahabuilders Berhad	250	581 – 2,281	800 - 900	Completed
The Wave @ Marina Cove	Sited along the Tebrau River Basin	IOI Properties	1,465	526 – 1,344	800	Ongoing
Tower B Southkey Mosaic Serviced Residences	Southkey, Johor Bahru	Selia Pantai and IGB Corporation Bhd	584	676 – 1,509	900 – 1,000	Ongoing
Paragon Residences	Jalan Tenku Petri 1, Straits View, Johor Bahru	ACG Group and Joland Group	533	735 – 10,725	1,000-1,200	Completed

FLAGSHIP D

Name	Location	Developer	No of Units	Floor Area (sq ft)	Price, from (RM/sq ft)	Development Status
Green Haven	Kota Puteri	Welton Development	1,134	698 – 1,598	503,000	Ongoing
Taman Rinting	Masai	I & P Group Sdn Bhd	71	2,235 – 2,384	541,000	Ongoing
Pine Signature	Pasir Gudang	Scientex Berhad	182	1,725 – 1,908	330,000	Ongoing
The Caspian @ Meridin Bayvue	Masai	Venice View Development Sdn Bhd	1,269	980 – 1,366	432,000	Ongoing



the
CASPIAN
FREEHOLD

HIDDEN TREASURES OF THE SOUTH

As one of the five 'economic zones' of the Iskandar Malaysia project, Johor Bahru is set to be transformed into the biggest financial center of Malaysia. It is the southernmost city in Malaysia and the second largest in the country.

SEA VIEW RESIDENCES

Making a splash in Johor Bahru is The Caspian @ Meridin Bayvue – a gem of a development with stunning views overlooking the Johor Straits – offering affordable, spacious and contemporary 3-bedroom serviced apartments from RM430k, adorned with quality finishing.

The Caspian @ Meridin Bayvue is strategically located along the Coastal Highway, just 15 minutes to the city centre and Causeway to Singapore. With Johor Bahru and Singapore in such close proximity, residents can enjoy the best of both worlds.

For more information, please visit www.meridinbayvue.com.my or call +607 216 0013.

"My new home at The Caspian will be only 15 minutes from Singapore!"
– Joanne, first time home buyer

BENEFITS

- RM1,000 Down Payment
- Partially Furnished
- Free SPA, Loan Agreement & Disbursement Fee
- Free 1 Year Maintenance Fee



LIVING 'THE CASPIAN' LIFESTYLE

Impressive clubhouse facilities and lush green landscaping sets the tone for an uplifting and relaxing lifestyle for the whole family.

Having the convenience of a retail mall at your doorstep means shopping on a whim, and indulging in good food and drinks with friends and family anytime.

The Caspian @ Meridin Bayvue is also close to reputable schools and world-class medical facilities, making it the perfect home for all generations.



Living the
CASPIAN
Lifestyle

Enjoy the best of both worlds with The Caspian @ Meridin Bayvue's proximity to Johor Bahru city centre and Singapore with spacious 3-bedroom serviced apartments starting from RM430k. Impressive clubhouse facilities and lush green landscaping provide all the essentials to keep you and your family happy and healthy. Because it's more than a home, it's a lifestyle too!



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Johor Bahru Causeway, photo courtesy of IRDA



PROPENSITY OF ISKANDAR MALAYSIA IS ISKANDAR REALLY IN TROUBLE?

By Dr. Daniele Gambero

FACT FILE ABOUT ISKANDAR MALAYSIA

Iskandar Malaysia is an economic development corridor booming in Southern Johor, Malaysia. The development region encompasses an area of 2,217 square kilometres which is three times the size of Singapore and two times the size of Hong Kong. Iskandar Malaysia is envisaged to capitalize on its current synergies with Singapore as it aims to complement each other as an economic hub. Meticulously planned under the Iskandar Malaysia Comprehensive Development Plan (CDP), the economic region comprises of five flagship zones.

Encompassing a vast acreage of land, it is the largest single development project ever to be undertaken in the region. Because of its strategic location, accessibility to leading Asian cities, proximity to some of the world's most rapidly growing and important economies, Iskandar Malaysia is poised to attract an exciting influx of foreign and high-level corporate investments as discerning investors looking to benefit from growth in Asean and Asia.

Located in Johor, the southern gateway to Peninsular Malaysia, its advantages include:

- Six to eight hours' flight radius from Asia's burgeoning growth centres such as Bangalore, Dubai, Hong Kong, Seoul, Shanghai, Taipei and Tokyo.
- Within reach of a global market of some 800 million people.
- Accessible by air, land, rail and sea.
- Flanked by three major ports, the Pasir Gudang Port, Port of Tanjung Pelepas and Tanjung Langsat Port.



Sultan Iskandar CIQ Complex, photo courtesy of Khalil Adis

“We have all heard about the possible best and worst of this much spoken about economic development region and still most of us do not see the long term picture.”

PERCEPTION & REALITY OF ISKANDAR MALAYSIA

We have all heard about the possible best and worst of this much spoken about economic development region and still most of us do not see the long term picture. I've recently read an article published in a Singaporean paper recommending to avoid as much as possible Malaysian and especially Iskandar Malaysian properties as investment product. Surprisingly, the article mentioned a few unsuccessful stories and none of the real successful ones.

I keep repeating in my columns and presentations that smart investors shouldn't look at properties as something that stands on its own!

Property is the guaranteed result of a properly planned economic growth which includes:

1. Master-planning of a well-diversified, in terms of industries – manufacturing – services, medium or long term growth.
2. Planning and execution of major infrastructures such as roads, highways, public transportation, commercial harbours, public healthcare, public education.
3. Incentive packages designed to attract FDI for a well-diversified and wide list of countries.
4. Wealth growth and distribution as without an adequate purchasing power given to the rakyat, there will hardly be a good economic growth which is boosted mostly by domestic consumption (Malaysia stands at 60% domestic consumption contribution to its annual GDP grow).

“There are 5 flagship areas; each of them has been designed with different economic growth drivers”

The Singaporean article only mentioned the MM2H program, which, since its inception, was mostly designed to attract foreigners to reside in Malaysia at the end of their working lives. Most people would call this retirement. If we are looking at economic growth, I would rather look into the statistics of TalentCorp or at the number of professional working visas released by the Immigration Department in the last 5/6 years and, out of the total, how many are currently based in Johor/Iskandar Malaysia.

Another surprise came for the fact that the author of the article has made a mere, superficial and “visual” evaluation of how the development of Nusajaya, now Iskandar Puteri, is proceeding without looking into actual facts and numbers. Iskandar Puteri is only a very small component of the master-plan for Iskandar Malaysia. There are 5 flagship areas; each of them has been designed with different economic growth drivers and from all the recent assessments done, most of the committed and non-property related investments have kicked-off or have been completed.

Now, I always say in my presentations, look at numbers and facts not perceptions: to do so, let's see together where Iskandar Malaysia is today and possibly in the next 4 to 5 years...



Mahkamah Tinggi Johor Bahru, photo courtesy of Khalil Adis

This article is the first of a three-part series by Dr. Daniele Gambero. In the next issue, Dr. Gambero will explain about the economic development and identify the different triggers that constitute Iskandar Malaysia as still one of the best places to invest in.

REI Group of Companies CEO and Co-Founder, Dr. Daniele Gambero gives presentations on the Property Market and welcomes feedback at daniele.g@reigroup.com.my

Sources: Napic Property Market Report, CIMB, Pemandu, Sime Darby/ University Malaya Affordable Housing Publication, department of Statistics Malaysia and REI Group Research archives

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