

Flattish property growth seen

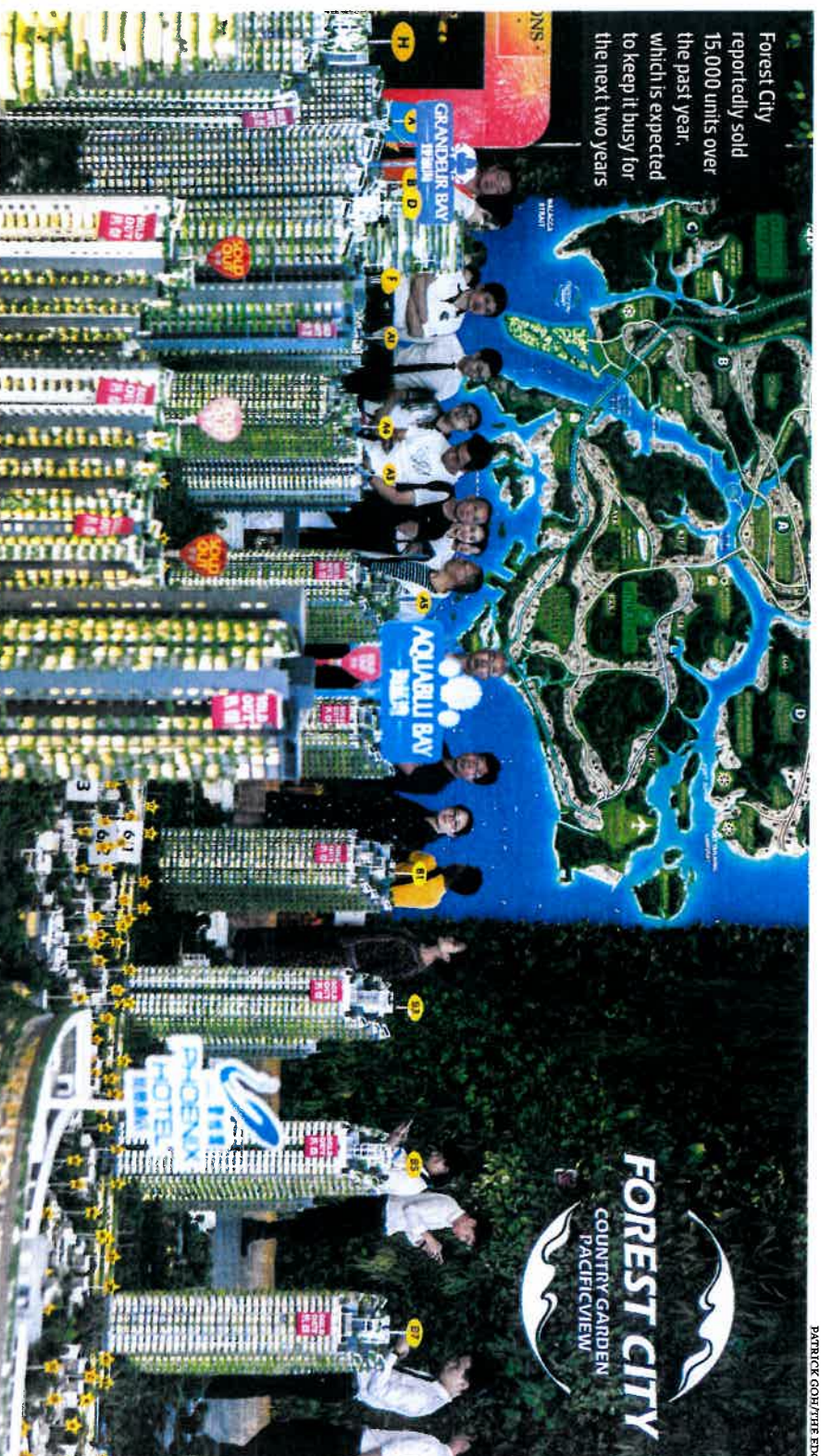
By **RACHEAL LEE**
city.countryp@bizedge.com

The implementation of capital controls late last year by the China government to curb the outflow of funds had raised fears over the past few months that it would severely impact investments in Johor and the rest of Malaysia.

There is a perception that there will be a slowdown in the Johor property market as it would be more difficult for the Chinese to buy properties, says Samuel Tan, executive director of KGV International Property Consultants (Johor) Sdn Bhd, in presenting The Edge-KGV International Property Consultants Johor Housing Property Monitor for the first quarter of the year (1Q2017).

"However, we need to go into details to understand the whole picture. The Chinese have been buying from the China developers. Hence, the capital curbs will be felt by just a handful of such developers. For the local developers, it will be business as usual," he explains.

"I believe the capital curb is not going to be a permanent feature. Over time, the Chinese government will likely relax this policy. In any case, if we look at Forest City, unit sales of reportedly 15,000 over the past year should keep it busy for the next two years. The developer is already diversifying



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its market into other countries."

Meanwhile, the tourist trade between China and Johor Baru continues to grow. China's Spring Airlines commenced its international route between Shenzhen and Johor Baru on Jan 13, providing a two-flight per week service on Mondays and Fridays. Tan says

the charter service caters for the growing number of Chinese travellers to the city.

"The Johor government, in collaboration with the Senai International Airport, is striving to develop Johor Baru into a significant southern peninsula aviation hub ... Prospective house buyers will

find this additional route an advantage," Tan points out.

In May, Johor Tourism, Domestic Trade and Consumerism committee chairman Datuk Tee Siew Kong was reported as saying that flight routes to Senai International Airport have increased from nine in 2012 to 15 now. Of the 15, nine are

domestic routes while six are to Ho Chi Minh City, Bangkok, Surabaya, Jakarta, Guangzhou and Shenzhen, Tee highlighted.

Notable events

In recent months, Johor has seen more collaborative initiatives in property development, such as the 53-acre Country Garden Central Park in Tampoi by Damansara Realty Bhd and Country Garden Holdings Co Ltd, as well as a 514-acre township in Kota Tinggi by IBS Bina Group Bhd and YPU Plantations Sdn Bhd.

Tan says such initiatives are likely to be the trend in Johor going forward.

"We expect to see more collaborations because of the high land cost. Also, collaborations allow the utilisation of expertise from different parties to mitigate development risk and to ensure operational success and sustainability," he adds.

The freehold Country Garden Central Park is being developed by DAC Properties Sdn Bhd, a joint venture between Damansara Realty's indirect wholly-owned subsidiary Damansara Realty (Johor) Sdn Bhd (which has a 30% stake) and Country Garden Management Sdn Bhd (70%), which is wholly owned by Country Garden Holdings. The project has an estimated gross development value (GDV) of RM4.6 billion.

Meanwhile, the Kota Tinggi township is located on a leasehold parcel and has an estimated GDV of RM2.6 billion. The proposed mixed-use development will comprise residential and commercial units.

At the refinery and petrochemical integrated development (RAP-ID) project in the Pengengerang

Area	2010		2011		2012		2013		2014		2015		2016		2017		
	4Q	4Q	4Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Standard 2-storey terraced houses in selected schemes																	
Taman Bukit Indah	370	380	390	400	420	430	450	480	480	500	520	550	550	520	500	500	500
East Ledang	510	620	738	835	835	900	900	1,100	1,200	1,300	1,350	1,350	1,350	1,350	1,100	1,100	1,000
Horizon Hills	480	580	580	580	600	600	650	650	680	700	720	750	750	750	650	620	620
Taman Molek	500	520	650	700	750	750	760	770	780	800	800	800	800	800	800	800	800
Bandar Seri Alam (Type Sapphire)	531	531	531	531	531	540	540	540	540	540	540	540	540	540	540	540	540
Taman Ponderosa	350	400	430	450	470	470	500	500	520	520	530	540	540	540	540	540	540
Standard 2-storey semi-detached houses in selected schemes																	
Taman Bukit Indah	550	680	700	750	780	800	800	820	850	850	880	900	900	900	900	850	850
East Ledang	1,290	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,200	2,300	2,400	2,400	2,400	2,400	2,100	2,100	2,000
Horizon Hills	1,300	1,460	1,480	1,500	1,500	1,550	1,580	1,600	1,600	1,650	1,650	1,650	1,650	1,500	1,500	1,400	1,400
Austin Heights	680	750	900	1,000	1,100	1,200	1,200	1,200	1,250	1,300	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Taman Molek	480	550	750	800	800	820	830	850	900	950	950	1,000	1,000	950	950	950	950
Bandar Seri Alam (Type Sapphire)	842	842	842	842	842	842	842	842	842	842	842	842	842	842	842	842	842
Taman Ponderosa	690	700	800	820	850	900	1,000	1,000	1,300	1,300	1,400	1,500	1,500	1,400	1,500	1,500	1,500
Seribong Cove	1,100	1,100	1,200	1,200	1,200	1,300	1,400	1,500	1,500	1,500	1,600	1,600	1,600	1,600	1,600	1,600	1,600
2-storey cluster houses in selected schemes																	
Taman Bukit Indah	1,000	1,100	1,200	1,200	1,250	1,280	1,280	1,300	1,300	1,200	1,200	1,200	1,100	1,100	1,100	1,000	1,000
Horizon Hills	700	820	850	950	1,000	1,100	1,200	1,250	1,280	1,300	1,300	1,300	1,200	1,200	1,200	1,100	1,100
Austin Heights	340	380	450	470	480	500	550	600	750	750	800	800	800	800	800	800	800
Seribong Cove	548	600	650	650	800	820	830	860	900	950	950	950	950	950	950	950	950
Selected apartments/condominiums																	
The Sky Executive Suites	250	320	350	380	400	400	400	430	450	450	460	480	480	480	400	400	360
Ujana Executive Apartment	485	535	685	685	735	735	735	735	735	735	735	735	735	735	700	700	700
Stratix View Condominium	500	500	700	700	700	700	700	750	750	750	750	750	720	720	650	650	650
Tropex Residences	600	660	660	670	670	670	660	650	650	640	630	620	580	580	580	580	580
Danga View	350	370	390	390	400	410	420	430	440	440	450	450	430	430	420	420	420
Molek Pine (Tower 2)	500	550	680	700	700	750	800	800	800	800	800	800	720	670	650	620	620

Note: Prices shown are based on both transacted and listed prices. Adjustments are made where necessary for variations in size, specific location, design, condition and improvements, if any.