

More launches of landed property

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Johor saw six new launches of landed property in the second quarter of the year (2Q2017), according to data from *The Edge*-KGV International Property Consultants Johor Baru Housing Property Monitor.

Of the six, three were in Pulau: Spring Meadow in Taman Nusa Sentral by Country View Resources Sdn Bhd (120 three-storey cluster houses); Eltonia Features in Taman Bukit Indah by Bukit Indah (Johor) Sdn Bhd (100 two-storey terraced houses); and Sakura Residences in Sunway Iskandar by Daiwa Sunway Development Sdn Bhd (100 two-storey semi-detached bungalows).

The other three were Ponderosa Avenue in Taman Ponderosa, Tebrau by Rawhide Sdn Bhd (28 three-storey shopoffices); Clarinet in Taman Desa Tebrau, Tebrau by Plenitude Tebrau Sdn Bhd (118 two-storey terraced houses); and The Hibiscus in Bandar Alam Masai, Plentong, by Era Universe Development Sdn Bhd (154 two-storey terraced houses).

That compares with only one launch of a high-rise project, D'Iagoon in Taman Seri Austin, Tebrau, by United Malayan Land Bhd, in the quarter under review. D'Iagoon offers 204 units in two 20-storey apartment blocks and 58 three-storey landed strata villas. The apartments are sized from 807 to 1,033 sq ft.

KGV International Property Consultants (Johor) Sdn Bhd ex-



Johor Baru skyline... There were six new launches of landed property compared to only one launch of a high-rise project in the state in the second quarter

SHARIN VAHA/THE EDGE

ecutive director Samuel Tan says the situation implies that developers are now focusing on launches of landed property due to the oversupply of high-rise developments in Johor.

"Also, since the freeze of new applications for high-rise property in 2014, we are seeing less of such launches," he tells *City & Country*. "Instead, there will be more landed property launches, most of them in the more affordable pricing range such as RM700,000 and below." The Rumah Impian Sultan

Ibrahim housing scheme, which offers residential units priced from RM80,000 to RM420,000, received overwhelming response during the pre-launch ceremony earlier.

The Sultan Ibrahim Foundation was set up last year to address issues related to the welfare of Johoreans, especially housing matters. The scheme is meant to help those in need own a home, based on criteria set by the foundation.

According to Tan, the overwhelming response to the scheme reflects the demand for affordable houses.

"In the current property market slowdown, it is an opportune time for the authorities and developers to collaborate to make such properties available in the market," he says. "If we were to rely on the normal market mechanism, it will be tough as there will be land compliance and other incidental costs. Together, these additional costs may make it prohibitive to develop such houses."

While Rumah Impian Sultan Ibrahim is a deliberate and focused effort, he expects a more comprehensive plan moving forward so

JOHOR property prices 4Q2010-2Q2017 (RM'000)

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

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.

that more such initiatives can be launched to ensure all parts of Johor have an adequate supply of residential houses priced between RM100,000 and RM400,000.

Catalysts

In 2Q2017, there were some developments that directly impacted the property development industry. These included several large investments in Iskandar Malaysia, one of which was the opening of BMW Group Malaysia's Regional Parts Distribution Centre at the free industrial zone of Senai International Airport in Johor Baru. There was also an additional investment of US\$3 million by Singapore-based precision parts manufacturer Beyonics International Pte Ltd to build a new facility for its metal-stamping operation in Kulai.

The Malaysian Bioeconomy Development Corporation also announced that Malaysia would be home to the world's first bio-based chemical manufacturing plant — the Verde Palm Plant — by 2019 on a 20,000 sq ft site in Johor Baru. Upon completion, it is expected to create some 400 jobs. A joint venture between Sime Darby Bhd and US-based industrial biotechnology company Verdezyne Inc, the plant will use palm oil to produce 10,000 tonnes of dodecanedioic acid (diacid) every year, with the bulk of it exported to the US.

An alternative to petroleum-derived chemicals, diacid is a bio-based chemical widely used to produce items such as automotive parts, toothbrush bristles, cosmetics and fragrances.

Tan also believes the upcoming RM15 billion Robotic Future City, on a 1,000-acre tract in Johor Baru, will be a major catalyst to the state's property market. The project will not just bring technological benefits, but also create high-value jobs, he notes.

"In turn, this will create spin-off demand for houses in the surrounding areas. While the details are still scarce, it will be excellent if the project can be developed soon to push the state towards a higher level of industrialisation, which will also draw a healthy supply chain into the market."

In May, Johor Corporation (JCorp) signed a Cooperation Intention Agreement with Siasun Robot Investment Co Ltd to develop the project. The agreement is an extension to the memorandum of understanding inked between JCorp, Malaysian Investment Development Authority and Beijing Hutze Boyuan Robot Investment Co Ltd (a subsidiary of Siasun) in April. The project is expected to develop the robotic industry as well as spur the growth of various supply chains in Malaysia.

Meanwhile, Country Garden Pacificview Sdn Bhd — the developer of Forest City — announced its intention to go ahead with the RM1.2-billion Phase 2 of Forest City. The second phase, located near