



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 — Tan

Gelang Patah, will add almost 800ha to the development with landmarks such as three 18-hole golf courses and a five-star, 306-room hotel. One of the three golf courses will be designed by legendary golfer Jack Nicklaus and his son Jack Nicklaus II.

“I believe the proposed second phase development of Forest City is a strategic move in view of the current capital curbs [by China]. Instead of concentrating solely on the sale of serviced apartments, the company decided to mobilise the commercial components,” Tan says.

“Ramping up efforts on commercial developments is the right move while waiting for the capital curbs to be loosened. Commercial developments will attract more businesses and people to the area. This will generate demand for houses.”

Other commercial developments there include a centre that will be operated by Taiwanese healthcare management provider MI Group, offering services such as metabolic and inflammation assessment.

American boarding school Shat-tuck-St Mary, the first international school in the development, is expected to enrol an initial group of 150 students and begin its academic year in August next year.

“In the meantime, we understand the developer is setting up offices in other towns in Malaysia and the region to market their products. In other words, Forest City customers’ base will not be China-centric but diversified for a wider market,” Tan says.

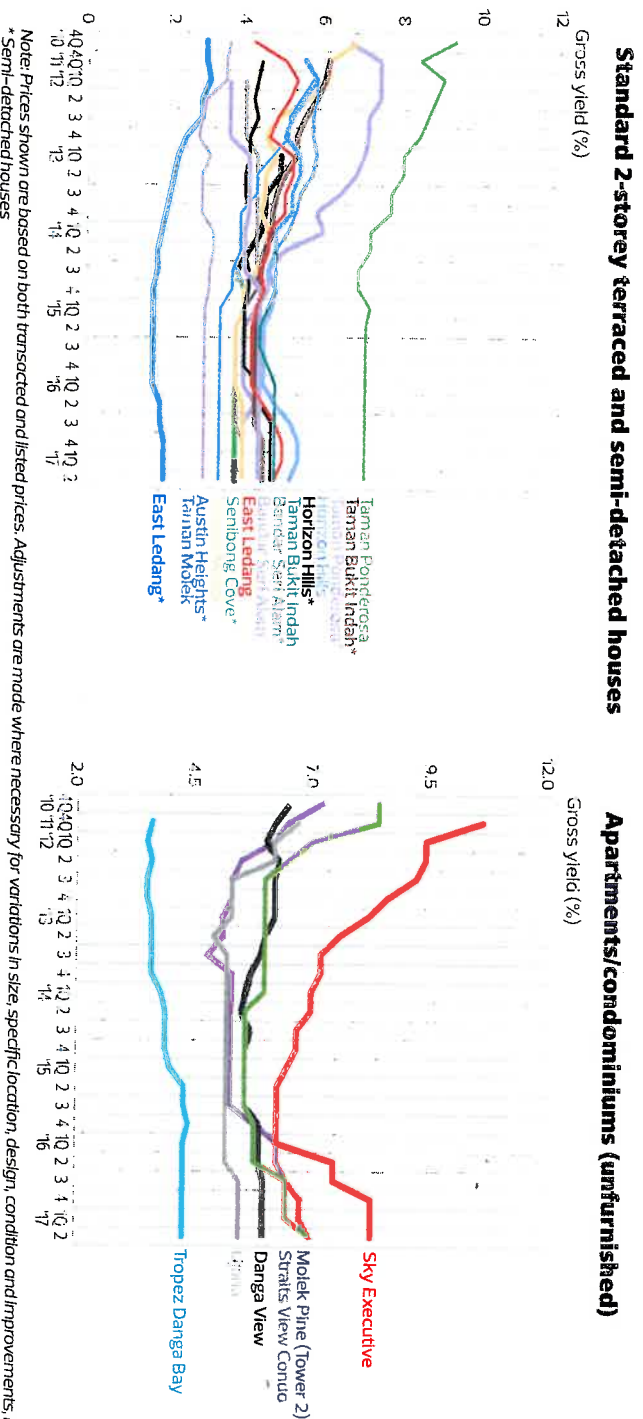
Concerns
Tan, meanwhile, expressed concern that some of the new policies proposed by the State Secretariat on the

JOHOR rents 4Q2010–2Q2017 (RM per month)

Area	2010			2011			2012			2013			2014			2015			2016			2017	
	4Q	1Q	2Q	4Q	1Q	2Q	4Q	1Q	2Q	4Q	1Q	2Q	4Q	1Q	2Q	4Q	1Q	2Q	4Q	1Q	2Q		
Standard 2-storey terraced houses in selected schemes																							
Taman Bukit Indah	1,700	1,800	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	
East Ledang	1,800	2,000	2,200	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
Horizon Hills	2,200	2,400	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	
Taman Molek	1,500	1,500	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	
Bandar Seri Alam (Type Sapphire)	1,600	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	
Taman Ponderosa	2,700	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Standard 2-storey semi-detached houses in selected schemes																							
Taman Bukit Indah	2,800	3,000	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	
East Ledang	3,200	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	
Horizon Hills	4,800	5,000	5,000	5,000	5,000	5,000	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	
Austin Heights	3,700	3,800	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	
Taman Molek	2,700	2,800	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Bandar Seri Alam (Type Sapphire)	2,800	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Taman Ponderosa	3,800	4,300	4,700	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	
Senibong Cove	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	
2-storey cluster houses in selected schemes																							
Taman Bukit Indah	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	
Horizon Hills	2,800	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Austin Heights	2,500	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	
Senibong Cove	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	
Selected apartments/condominiums																							
The Sky Executive Suites	2,200	2,300	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Ujana Executive Apartment	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Straits View Condominium	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
Tropez Residences	1,800	1,900	2,000	2,000	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	
Danga View	1,900	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Molek Pine (Tower 2)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	

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

Gross yield performance of residential properties in selected schemes in Johor Baru (4Q2010–2Q2017)



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.

* Semi-detached houses

release of bumiputera lots were not practical and could be detrimental to the market.

Earlier Johor saw the formation of a special committee on implementation of the housing procedure on this, which subsequently submitted 10 new policy proposals to the state government.

One of the policies Tan cites is the bumiputera lot release based on price tier. Under the proposal, no release is allowed for properties below RM250,000. Another is that the international units within a development must be fully sold before the developer applies for conversion of bumiputera units.

“This will cause a backlash in smaller towns where property prices are around RM250,000. If there is no bumiputera demand, unsold units will end as overhang in the market,” he says.

“Similarly allowing bumiputera units to be released only upon full sale of other lots is impractical. Very often, some lots are not saleable due to location, address or other unavoidable matters.”

Flat performance

The gross monthly rental for all residential properties sampled in Johor, landed and non-landed, remained flat in the quarter, ac-

cording to KGV data. Nevertheless, gross yield performance saw some changes.

A standard 2-storey terraced home in East Ledang (built-up: 1,820 sq ft) saw its gross yield drop from 5% in 1Q2017 to 4.8% the following quarter, while its price remained at RM1 million in the quarter under review.

The gross yield of a similar unit in Horizon Hills (built-up: 1,400 sq ft) also dropped 0.2% from the previous quarter to 5.2% in 2Q2017, as the price went up 4.8% or RM30,000 to RM650,000.

A standard, 2,240 sq ft 2-storey cluster house in Horizon Hills,

meanwhile, inched up 0.3% to 3.8% in 2Q2017, even as the priced dipped to RM1 million from RM1.1 million in the preceding quarter.

Data also shows an increase in gross yield for Straits View Condominium (built-up: 1,600 sq ft, mid floor) and Molek Pine Tower 2 (built-up: 1,469 sq ft, mid floor). In 2Q2017, the gross yield for Straits View Condominium advanced 0.5% to 7%, as the price dipped to RM600,000, from RM650,000 in the preceding quarter.

The gross yield for Molek Pine Tower 2 improved 0.2% to 7%, while the price fell to RM600,000 in 2Q2017, from RM620,000 in 1Q2017.