



2017 a soft year for Johor's residential market

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> Transaction volume dropped 5%, while transaction value was up only marginally by 0.8%

PETALING JAYA: The residential property segment in Johor was soft last year, recording a drop in volume of transactions and a marginal increase in value, according to the Property Market Report 2017.

Data from the report revealed a 5% drop in volume to 24,886 transactions last year from 26,186 transactions in 2016 while value of transactions rose only 0.8% to RM8.64 billion last year from RM8.58 billion in 2016.

Terraced houses dominated at 55.8% (13,896 units) of the residential property transactions comprising single-storey terraces (6,080 units) and double-storey terraces (7,816 units).

During the year, the primary market moderated with 7,926 units launched, reflecting a 15.6% drop from 9,393 units launched in 2016. However, take-up rates improved to 44.2% compared with 29.8% in 2016.

Most of the new units launched were double-storey terraced houses, which made up 61.6% (4,883 units) of the total, priced between RM500,000 and RM1 million.

The residential overhang in Johor worsened last year with 4,376 overhang units worth RM2.86 billion, indicating an increase of 19.2% and 11.4% in volume and value respectively against 3,671 overhang units worth RM2.57 billion the year before.

Majority of the overhang units are located in Johor Baru district and are mostly condominium units priced between RM500,000 and RM1 million.

On a more positive note, the unsold under construction reduced to 11,289 units from 11,774 units in 2016 while unsold not constructed reduced to 853 units from 896 units in 2016.

Construction in the residential segment was less active with completions down by

26.3% to 9,449 units from 12,819 units in 2016 while starts decreased by 22.7% to 12,264 units from 15,859 units in 2016.

New planned supply in 2017 was also lower, by 10.4% to 11,150 units from 12,440 units in 2016. As at end-2017, there were 788,584 existing residential units with another 80,354 units in incoming supply and 90,353 units in planned supply.

Residential properties in Johor recorded mixed price movements across the board, with those in established areas served with efficient connectivity continuing to experience capital appreciation.

"Prices also firmed up for similar property in strategically located schemes nearby commercial centres, shopping complexes as well as city centres," the report said.

As at Q4 2017, the All House Price Index for the state stood at 210.1 points, 7.2% higher than 196.0 points recorded a year earlier.

The average All House Price for the state as at Q4 2017 stood at RM327,829 compared with RM305,904 the previous year.

According to the report, the residential rental market was generally stable with upward movements recorded in several areas.

"New tenancy and strategic locations nearby commercial centres served with

efficient connectivity were among the factors contributing to the rental gains.

"Terraced houses and high-rise units located adjacent to industrial areas and hypermarkets chartered good gains.

"Double-storey terraces in Horizon Hills, Johor Baru recorded higher rental range of RM2,500 to RM3,000 per month," it said.

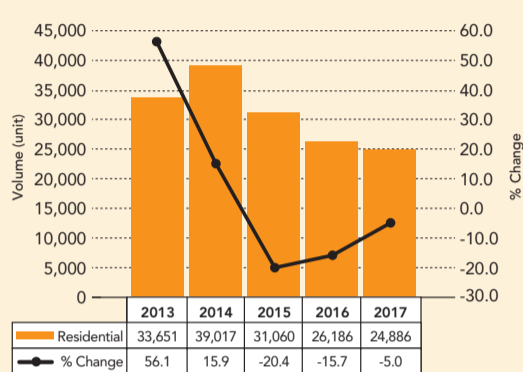
The residential sub-sector made up 64.1% of the overall property market in Johor last year.

Overall, Johor's property market registered 38,839 transactions with a total value of RM18.61 billion, down by 3.1% and 4.3% in volume and value respectively over 2016 (40,066 transactions worth RM19.45 billion).

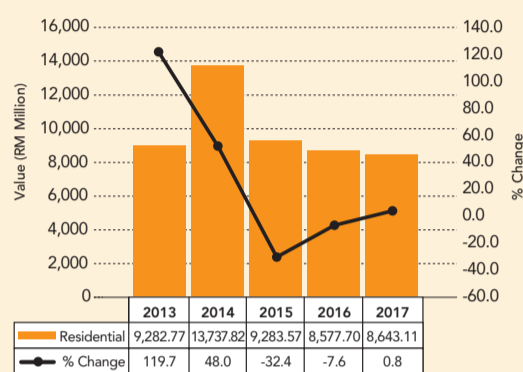
For 2018, the state property market is expected to be promising backed by various projects and the state government's initiatives in the supply of affordable homes and infrastructure.

"Notable developments and catalytic projects in other sectors such as the Coastal Highway Southern Link, Pengerang Integrated Petroleum Complex and Golf Course in Desaru Coast are expected to help support the growth in residential and commercial sub-sectors in Johor," the report said.

VOLUME OF RESIDENTIAL PROPERTY TRANSACTION 2013 - 2017



VALUE OF RESIDENTIAL PROPERTY TRANSACTION 2013 - 2017



PROPERTY LISTINGS

in Johor

Project: **Meridin East**
Type: **Linked homes**
Price: **From RM390,880**
Developer: **Mah Sing Group Bhd**

Located in Pasir Gudang, Iskandar Malaysia, Meridin East is a 1,313-acre gated lake garden community. The freehold project offers linked homes sized from 1,595 sq ft onwards. There are two layouts available, with 4 bedrooms and 4+1 bedrooms.



Project: **Bora Residences**
Type: **Serviced apartments**
Price: **From RM600,000**
Developer: **Tropicana Corp Bhd**

Located at Danga Bay, off Jalan Skudai, Bora Residences is the second phase of the Tropicana Danga Bay project. The first phase, Tropez Residences, has been fully sold. Bora Residences offers 396 units sized between 694 sq ft and 1,550 sq ft in four layouts.



Project: **Elata Nova**
Type: **Double-storey terrace houses**
Price: **From RM638,638**
Developer: **SP Setia Bhd**

Elata Nova is part of SP Setia's Setia Tropika gated and guarded township in Johor Baru. There are a total of 93 units sized 1,964 sq ft each. The freehold units are expected to be completed in March 2020.



Affordable housing initiatives in Johor

UNDER Johor's Budget 2018, several initiatives have been formulated to sustain the state's property market. Among the initiatives are:

- ▶ 13,536 units of Johor Affordable Housing (RMMJ) are scheduled for completion this year while another 30,993 units will be completed in 2019 and 2020. An additional 40,000 units will be built by 2023.
- ▶ RM75 million has been allocated this year for the local authorities to provide rented houses to those who cannot afford to buy homes. For a start, two local authorities involved are Johor Bahru City Council (MBJB) and Iskandar Puteri City Council (MBIP), where a housing department will be established at each municipal.
- ▶ Johor Youth Transit Home Programme provides temporary housing facilities to married young couples aged 18 to 30 years. The pilot project will involve 390 units at PPR Melana Indah, Johor Baru at a rental rate of RM250 per month. This

programme is a collaboration with the National Housing Department under the iMalaysia Transit Home Programme (RTiM).

- ▶ Jauhar Prihatin Scheme provides houses for rent up to a maximum of five years for those eligible, after which they will buy the house. Phase 1, which involves 409 units, have been opened for application while Phase 2 to 4 will be offered to 4,870 existing tenants who are listed under the Johor Housing Division. The state government has allocated RM30 million this year for the purchase of additional units to be offered under the scheme, which is managed by Kumpulan Prasarana Rakyat Johor.
- ▶ Kumpulan Prasarana Rakyat Johor will also redevelop Larkin industrial area into a mixed development known as Kota Larkin. Phase 1 commences this year and will involve the construction of 246 units of Johor community houses at a cost of RM50 million.

SUMMARY OF AFFORDABLE HOUSING PROJECTS IN JOHOR

Scheme Name	Units
Johor Affordable Housing (RMMJ)	
Taman Seri Pulai Perdana	252
Taman Gemilang	117
Taman Bukit Bayu	46
Taman Pontian Perdana	88
Taman Megah	50
RMMJ @ Kampung Muafakat	60
RMMJ @ Taman Megah Ria	222
RMMJ @ Taman Perling	80
RMMJ @ Tropicana Danga Lagoon	89
RMMJ @ Taman Sri Saujana	240
RMMJ @ Taman Kota Jaya 2	90
RMMJ @ Taman Penawar Harmoni	112
RMMJ @ Taman Desaru Utama Fasa 9	124
RMMJ @ Mukim Pantai Timur	456
1Malaysia Civil Servant Housing (PPA1M)	
PPA1M @ Pengerang	500
1Malaysia People's Housing Programme (PR1MA)	
PR1MA @ Pelangi Indah	720
PR1MA @ Larkin Indah	1,174
PR1MA @ Nusa Damai	994