

Part One: The Chinese Factor

- 5 Ways Investments from China will Impact the Property Landscape in Iskandar Malaysia

In-Focus

For the longest time, Singapore had been the top foreign investor in Iskandar Malaysia. However, as of March 2016, China has overtaken the city state. We gaze into our crystal ball and list five ways in which this will impact the property market in the special economic zone



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Khalil Adis was the former editor of Property Report and he has written for PropertyGuru, iProperty.com, Yahoo! Singapore/Malaysia and various newspapers. Renowned for his independent views and insights, Khalil has given talks at various expos and at property launches. He is also on the judging panel of the South East Asia Property Awards (Malaysia).

Iskandar Malaysia continues to see record investments with RM202.45 billion in total cumulative investments from 2006 to March 2016, according to statistics from Iskandar Regional Development Authority (IRDA).

Among the promoted sectors, the manufacturing sector recorded the highest cumulative committed investments at RM54.26 billion. This includes investment from the sectors of electrical & electronics, petrochemical & oleo-chemical and food & agro-processing.

This is followed by investments in the logistics, tourism, healthcare, education, financial services and creative industries at RM6.03 billion, RM6.03 billion, RM2.77 billion, RM1.97 billion, RM1.47 billion and RM0.56 billion respectively.

In the non-promoted sectors, the residential, retail and industrial property segments collectively contributed to a cumulative investments of RM94 billion. Followed by utilities, government investment, mainly in infrastructure and public works and emerging technologies at RM12.96 billion, RM9.83 billion and RM2.85 billion respectively.

Of the RM202.45 billion, 51% or RM103.50 billion represents investments that have been realised.

China - an upcoming force to be reckoned with

Additionally, domestic investments comprise RM121.44 billion while the remaining RM81.01 billion were from foreign investments.

Since IRDA began recording data from 2006, China has for the

first time overtaken Singapore with record investments at RM22.17 billion.

Some of the notable Chinese investments within Iskandar Malaysia included Forest City, Greenland, Country Garden, R&F Princess Cove and Huawei.

This is followed by Singapore, USA, Japan, Spain, Germany, Australia, United Arab Emirates and the Netherlands at RM19.14 billion, RM6.78 billion, RM4.26 billion, RM4.18 billion, RM2.28 billion, RM2.04 billion, RM1.90 billion, RM1.89 billion and RM1.88 billion.

With China now being a force to be reckoned with, we list five possible impact Chinese investments will have on the property market

Impact 1: More Chinese set to call

Iskandar Malaysia home

Since 2012, Chinese investors have started coming in droves to invest in a property within Iskandar Malaysia, especially within the Danga Bay and Johor Bahru areas.

Lured by the Malaysia My Second Home (MM2H) programme that gives Chinese nationals a 10-year visa free entry plus other benefits for the entire family, some developers are packaging this immigration programme alongside their sales pitch.

Under this programme, applicants can import their personal cars or buy a locally assembled car without having to pay for import duty and excise duty taxes.

In addition, their children aged below 18-years-old can also study at private and public schools while their parents, who are over 60-years-old, will be eligible to live

in Malaysia under a special 6-month social visit visa.

With world-class education available at EduCity like Newcastle University and the University of Reading, this has made the MM2H programme especially attractive among the Chinese. ■