

# 'New Dubai' defies the crunch in Malaysia

The new Iskandar metropolis close to Singapore has already attracted many big-name investors

## Property Investment

Above: Iskandar Malaysia by night; The region has 19 golf courses and resorts such as Horizon Hills (right).



The Leisure Farm residential complex (right), where beautiful homes come at a fraction of Singapore prices.

**S**OUTHERN Malaysia is increasingly being seen as the place for global business to invest as its economic growth continues to defy the credit crunch. In partnership with national government, the Iskandar Malaysia development in Southern Johor is fast becoming the destination for developers, trade and investors from the Gulf, US and Europe.

The sprawling Iskandar metropolis in south-east Asia is being dubbed the "new Dubai", with foreign investors and workers flocking to the region to do business, live, work and play – all in a beautiful green environment nestling among the preserved mangrove swamps, parks and lush golf courses. It should be Asia's most developed metropolis by 2025, but unlike other schemes it puts an emphasis on being socially and environmentally sustainable as well.

Big names from the Gulf, such as Mubadala Development, Kuwait Finance House, Limitless, and Damac Properties, as well as General Electric, BMW, Dyson, Flextronics and Maersk Logistics have all made major investments in the region. Despite the economic downturn, its leaders have already attracted \$11bn, half of which

has come from foreign direct investments.

The largest deal to date is by a Middle East consortium, including Mubadala and Kuwait Finance House, which has invested \$1.2bn so far – with up to \$10bn to come in the future – in the region's flagship residential, commercial and financial centre.

Iskandar is well on the way to reaching its target of 800,000 new jobs and more than doubling the region's GDP per capita to \$31,000 by 2025. To facilitate this, there are tax holidays of up to 10 years and a number of incentives for property developers.

Chief executive Dato' Ikmal Hijaz Hashim, a graduate of Reading University, says: "The cost of doing business in Iskandar is extremely competitive. It offers a mixture of greenfield sites alongside infrastructure development and easy international connections via a network of ports and airports."

Only 20 minutes across the Straits of Johor from Singapore, and three times the geographical size, Iskandar is divided into five main hubs. Song Seng Wun, regional economist for Singapore-based CIMB-GK Research, says: "As the costs in Singapore become more prohibitive it makes sense to move across the causeway and set up shop in Johor. The

global credit crunch is making investors a little more risk averse at this point, but at this juncture the Middle East money is serious enough to keep Iskandar going."

### ITS AREAS INCLUDE:

- JB City, a central business district and waterfront development
- Nusajaya, which will be home to Johor State's new administrative centre, an "educi-

ty" where Newcastle University are setting up a medical school, a new luxury harbour and marina, medicine village, international resort and theme park

- Three industrial, manufacturing, high-tech and knowledge hubs with road, rail, sea and airport links.

Tanjung Pelepas is the world's fastest growing port. The globe's biggest shippers, Maersk and Evergreen, have set up there, attracted by its size, advanced information technology system, and tax-free zone. As have BMW, Kimberly Clark, Flextronics, Hewlett Packard and Nippon Express. With its strategic location and expanding capacity, it is challenging Singapore as the regional hub of choice.

Managing director of Iskandar Investment Berhad, Arlida Ariff, has switched from helping to manage the Petronas Towers in Kuala Lumpur to bringing in foreign investment for the new metropolis in the south. "It's a tremendous achievement for any economic development region. Now the challenge is implementing these commitments. We are starting to move people from the dream and vision stage into real action."



**DATO' IKMAL HIJAZ HASHIM**  
CEO Iskandar Malaysia



**ARLIDA ARIFF**  
MD of Iskandar Investment Berhad

## Relax and invest in a luxury lifestyle

The living is good in the new luxury resorts springing up in southern Malaysia

**S**ITTING by an elliptical pool on the deck outside a beautiful architect-designed five bedroom home in Iskandar's Leisure Farm resort, one appreciates the dedication to luxury and finesse of design.

This house, surrounded by natural mangrove, orchards, canal and plantations,

allows one to dream of another lifestyle, far away from the world's bustling cities. The beauty and serenity is inspiring, and all this at a fraction of the cost of something equally stunning in London, Paris or New York.

Leisure Farm is just one of the signature residential resorts in Iskandar, which has attracted second-home owners from Singapore and ex-pats from the UK, Germany, Sweden and 25 other countries.

Such resorts, country clubs, golf courses, five-star hotels and spa developments are dotted around the region and many of them are only 20 minutes drive from Senai International Airport.

A five-star condominium in Johor costs around \$125 per square foot, compared to \$4,000 in nearby Singapore. But there is no

compromising on quality.

After a morning by the pool, I headed out for a round of golf at Horizon Hills, one of the region's most magnificent resorts, with a course designed by Ross Watson.

Then on to lunch at the clubhouse, with its Olympic swimming pool, tennis courts and ballroom. I was served a wonderful selection of tapas-style dishes, from cool Malaysian curries to succulent satay sticks. The wider development has attracted buyers from the US, UK, South Africa, Japan and India.

A recent report by global real estate consultancy Knight Frank says: "With the committed investments secured for Iskandar and the positive perceptions of the economic spin-offs, investment in high-end residen-

A five-star condo in Johor costs around \$125 per sq ft, compared to \$4,000 in Singapore

tial properties by both foreigners and Malaysians has gained momentum."

Iskandar's proximity to Singapore has attracted Damac Properties of Dubai to enter a \$121m deal with UEM, the lead developer here in Nusajaya, to create a stunning waterfront complex at Puteri Harbour, featuring luxury homes, upmarket commercial outlets and an international hotel.

An evening drive to the tranquil Pulau Springs resort is recommended for dinner. Here you can also enjoy a first-class pampering at the spa after a hard day on the golf course. The rooms and suites are gargantuan and fit for a sultan, with marble bathrooms and king-size beds which bring on effortless sleep.