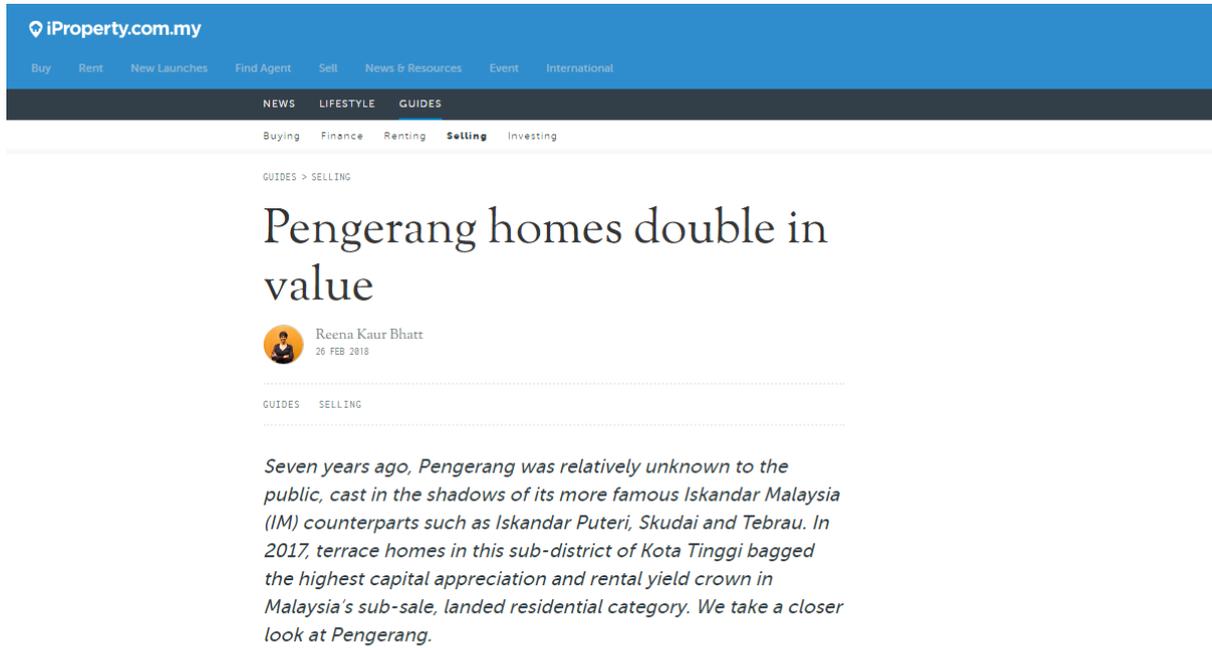


## Pengerang homes double in value



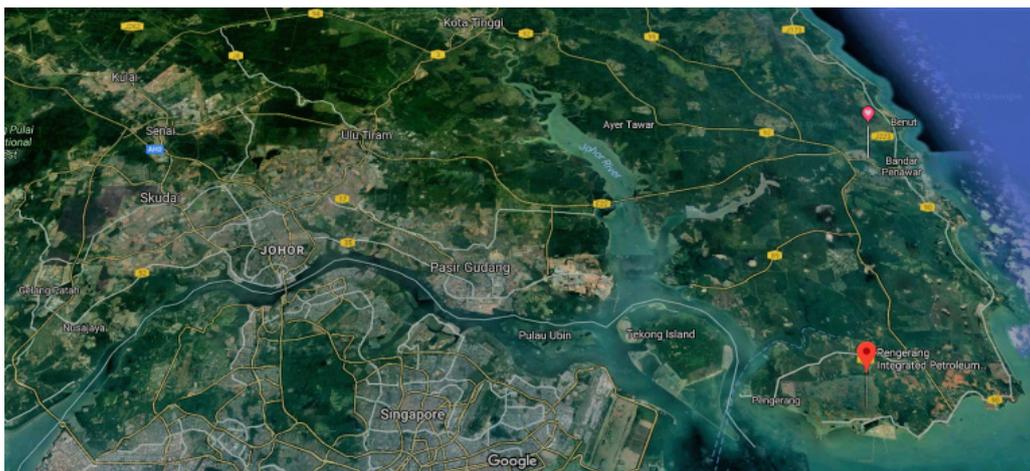
The screenshot shows the iProperty.com.my website interface. At the top, there's a navigation bar with links for Buy, Rent, New Launches, Find Agent, Sell, News & Resources, Event, and International. Below this is a secondary navigation bar with categories: NEWS, LIFESTYLE, GUIDES, and a sub-menu for GUIDES including Buying, Finance, Renting, Selling, and Investing. The main content area features the article title "Pengerang homes double in value" by Reena Kaur Bhatt, dated 26 FEB 2018. A short introductory paragraph is visible, starting with "Seven years ago, Pengerang was relatively unknown to the public..."

Located in south-east Johor, this coastal town’s real estate market recently got thrown in the spotlight – iPropertyIQ.com’s data revealed that the nation’s Best Performing Terraces title (in terms of both capital growth & rental yields) went to homes located in Taman Desaru Utama, Pengerang.

### Key figures for terrace homes, Taman Desaru Utama

Capital Appreciation (%)	Rental Yield (RM)	Median Price PSF (RM)	Median Price (RM)
54.8%	10.9%	RM347	RM460,000

The review period is October 2016 to September 2017 (Refer to footnotes at the end) and sales data is captured from the Valuation and Property Services Department (JPPH) and compiled by iProperty.com’s big data solution, iPropertyIQ.com.



## **NOTES:**

- Heart-shaped legend is Taman Desaru Utama.
- Nusajaya is now known as Iskandar Puteri – The Johor state administrative capital was renamed in January 2016.
- E22 is the Senai-Desaru Expressway.

As clearly shown in the Google Map image above, Pengerang and by large, the Kota Tinggi district still has huge plots of undeveloped land. The coastal areas in east Johor had yet to be developed on a large scale and the development difference is obvious when compared with the scene on the left showcasing the IM region (comprising of Johor Bahru, Senai-Skudai, Iskandar Puteri, Tanjung Pelepas (Western Gate) and Pasir Gudang (Eastern Gate)).

### **Pengerang catches ups**

Nevertheless, Pengerang is seeing much action in the past few years, thanks to the 20,000-acre Pengerang Integrated Petroleum Complex (PIPC), a national mega project envisioned to accelerate the downstream oil and gas value chain in Johor and Malaysia.

The Johor government is highly optimistic of Pengerang's potential. In January 2017, Johor's Chief Minister Mohamed Khaled Nordin said during a media conference, "The projects in PIPC are seen as the catalyst for the development of east Johor Corridor, making it the new growth area for the state."

Launched in May 2012, PIPC was first initiated with a joint-venture development between Dialog Group, Royal Vopak of The Netherlands and the State of Johor – the Pengerang Deepwater Terminal (PDT).

The other component of PIPC is the Petronas' Pengerang Integrated Complex (PIC) which is PETRONAS' largest downstream investment in a single location to date. PIC consists of the Refinery and Petrochemical Integrated Development (RAPID) and 6 Associated Facilities.

As of end-2017, the complex was 84% completed, reported Datin Anita Azrina Abdul Aziz, Petronas Refinery and Petrochemical Corp Sdn Bhd's head of stakeholder, communication and risk management in January 2018. PIC will help Petronas produce premium petroleum products and specialty chemicals, especially gasoline and diesel that will meet Euro 4 and Euro 5 fuel specifications – catering to the demand for high-value products in the Asia Pacific region.

The PIPC project has created thousands of employment opportunities in the past few years; once completed in 2019, the RAPID project alone will create 4,000 permanent jobs.

These significant investments have in turn cause various ripple effects; the main one being an inflow of PETRONAS employees, expatriates and contractors into the area, thus indirectly boosting the growth of the property market in the surrounding areas. The PIPC ecosystem has also generated new job and business opportunities for the local community, especially for SME businesses, suppliers and contractors.

Demand for rental homes has spiked to an all-time high. Prices vary greatly depending on the location. A 1-storey link house with 1 bedroom located 10 minutes away from the RAPID site is going for RM4,000 per month. If you were to travel further up north and settle for a house located 25 minutes away from RAPID, you will be able to obtain a 2-storey, 4-bedroom terrace for the same price!

The government is targeting PIPC to be the region's new oil and gas hub once it begins operations in the first quarter of next year and PIPC will contribute about RM8.3 billion to the nation's gross income by 2020 – the PIC will have a refining capacity of 300,000 barrels per day. Which only spells a further population boom for Pengerang and in turn a greater demand for housing.



Fully-furnished double-storey link homes in Taman Desaru Utama are going for RM3,000 – RM3,500.

### **Neighbouring catalyst**

Meanwhile, the recent opening of the Golf-Course in Desaru Coast located 10 minutes away from Taman Desaru Utama is expected to promote the tourism sector in southeast Johor and attract international visitors. Desaru Coast is a premium integrated destination resort featuring a unique blend of globally renowned hotels and resorts, i.e The Westin Desaru Coast Resort, Hard Rock Hotel Desaru Coast, Anantara Desaru Coast Resort & Villas and Aman Resort & Villas, with a view of South China Sea; a conference centre, a 27-hole and 18-hole golf course and a retail village.

Adding oomph to the mix is the Desaru Coast Adventure Waterpark where one can enjoy 17 different slides, surfing at the largest wave pool in Southeast Asia or just relax by the artificial beach.

### **Promising outlook**

Pengerang properties' rental reign may not last for long – the upcoming residential projects in the near future will shrink the demand-supply gap, bringing down rental rates. However, with the above big-scale townships and the tourist honeypot of Desaru Coast, it is only anticipated that Pengerang will receive further enhancements in terms of infrastructure and connectivity to cope with the burgeoning economic activities; all of which will benefit the local economy and community.

### **NOTES**

1) The data from JPPH officially record a property transaction once the stamp duty for the Sales and Purchase Agreement is paid, hence why the review period ended in September 2017, as the data from JPPH has not been released yet. Analytics are based on the data available at the date of publication and may be subject to revision as and when more data becomes available.

2) The capital growth value shown is the average capital appreciation of all transactions within the project/scheme throughout the review period.

3) The data used to calculate asking median rent is obtained from iProperty.com Malaysia's property listing database. Only monthly rents within the evaluation period are used to determine the median – this final figure is then used to calculate the rental yield figure.