

Two High Impact Projects Key For Johor's Growth Story

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Johor is poised for a transformative growth phase, positioning itself as Malaysia's next major economic engine. As the nation's third largest contributor to GDP, Johor benefits from its strategic location, advanced infrastructure, and a diverse economy that spans robust manufacturing and a strong services sector. Government-led developments and an influx of both foreign and domestic investments are set to elevate key sectors, including construction, data centres, energy, petrochemicals, and tourism, with a positive ripple effect anticipated for the property market.

Key to this growth are two high-impact projects: the Johor-Singapore Special Economic Zone (JS-SEZ) and the Special Financial Zone (SFZ) in Forest City. The Johor Bahru-Singapore Rapid Transit System (RTS) Link, now 77.6% complete, is expected to enhance cross-border connectivity and stimulate local economic activities when it begins operations in early 2027. Additionally, the potential revival of the KL-Singapore High-Speed Rail (HSR) could further expand Johor's economic landscape in the coming decades. Johor has already captured nearly 2GW of new data centre capacity, driven by restrictions on new builds in Singapore.

The RTS Link project has notably bolstered confidence among buyers and investors, as it promises increased cross-border traffic and the benefits of the "SGD factor." This is anticipated to boost demand in the Johor real estate sector, encompassing housing, retail, and hospitality. With new investments flowing in, rental and housing demands in central Johor are expected to rise, enhancing long-term affordability. Major developers remain optimistic about Johor's future prospects, recognising it as a critical market for growth.

Construction activity in Johor is thriving, with the state recording MYR4.8 billion in construction work for the first quarter of 2024, the highest in 19 quarters and the second largest among Malaysian states. Additionally, Johor has seen RM20.5 billion in construction projects awarded as of early August 2024, closely trailing behind Selangor's RM25.5 billion. With favourable labour conditions and stabilising building material costs, contractors are well-positioned to capitalise on Johor's infrastructure boom.

In the property sector, UEM Sunrise and Sunway are notable picks, while Sunway Construction, Kerjaya Prospek, and Malaysian Resources Corp stand out in construction. Other beneficiaries of Johor's expansion include Tenaga Nasional, YTL Power, AME REIT, and VS Industry.