ISSN 0219-3213

2017 no. 12

Trends in Southeast Asia

BENEATH THE VENEER: THE POLITICAL ECONOMY OF HOUSING IN ISKANDAR MALAYSIA, JOHOR

KENG KHOON NG AND GUANIE LIM

YUSOF ISHAK INSTITUTE

Trends in Southeast Asia

The **ISEAS – Yusof Ishak Institute** (formerly Institute of Southeast Asian Studies) is an autonomous organization established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS). The Institute is also home to the ASEAN Studies Centre (ASC), the Nalanda-Sriwijaya Centre (NSC) and the Singapore APEC Study Centre.

ISEAS Publishing, an established academic press, has issued more than 2,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publishing works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

2017 no.12

Trends in Southeast Asia

BENEATH THE VENEER: THE POLITICAL ECONOMY OF HOUSING IN ISKANDAR MALAYSIA, JOHOR

KENG KHOON NG AND GUANIE LIM

ISEAS YUSOF ISHAK INSTITUTE

Published by: ISEAS Publishing
30 Heng Mui Keng Terrace
Singapore 119614
publish@iseas.edu.sg http://bookshop.iseas.edu.sg

ISEAS Library Cataloguing-in-Publication Data

Ng, Keng Khoon.
Beneath the Veneer : The Political Economy of Housing in Iskandar Malaysia, Johor.
(Trends in Southeast Asia, 0219-3213 ; TRS 12/17)
1. Housing development—Malaysia—Johor.
2. Housing—Economic aspects—Malaysia—Johor.
3. Housing policy—Malaysia—Johor.
4. Iskandar Malaysia (Johor, Malaysia)—Politics and government.
I. Title.
II. Lim, Guanie.
III. Series: Trends in Southeast Asia ; TRS 12/17.
DS501 I59T no.12 (2017) September 2017

ISBN 978-981-4786-55-3 (soft cover)
ISBN 978-981-4786-56-0 (e-book, PDF)

Typeset by Superskill Graphics Pte Ltd
Printed in Singapore by Mainland Press Pte Ltd

FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

The **Trends in Southeast Asia** series acts as a platform for serious analyses by selected authors who are experts in their fields. It is aimed at encouraging policy makers and scholars to contemplate the diversity and dynamism of this exciting region.

THE EDITORS

Beneath the Veneer: The Political Economy of Housing in Iskandar Malaysia, Johor

By Keng Khoon Ng and Guanie Lim

EXECUTIVE SUMMARY

- The rise of Iskandar Malaysia as a regional hub has profoundly altered the domestic landscape, generating a knock-on effect on Johor's housing development, both economically and politically.
- Housing policy and development in Johor, as illustrated in the formation of Iskandar Malaysia, is riddled with conflict along two dimensions — "*bumiputra* versus non-*bumiputra*" and "federal government versus state government". The first one is entangled with international real estate development and foreign investment, while the latter has more to do with the rise of sub-national autonomy in Johor.
- Particularly in southern Johor, housing policy has increasingly been influenced by foreign investment through implementations of mega projects (e.g., Forest City). These mega housing projects not only boost the state's coffers, but also change the way housing is produced, financed and governed.
- Given the importance of sub-national governments in many large-scale housing projects in Iskandar Malaysia, the changing political conditions urge us to rethink the long-standing practice of national-centric development policy in Malaysia. Taking housing as a point of departure, the timing is ripe to revisit the role of state government in policy-making and urban governance.

Beneath the Veneer: The Political Economy of Housing in Iskandar Malaysia, Johor

By Keng Khoon Ng and Guanie Lim[1]

INTRODUCTION

Housing development in Johor has undergone profound transformation in the last decades. High-rise apartments are now a common sight in the downtown area close to Singapore. Luxurious enclaves, complete with gated security and leisure facilities, encroach on waterfront land along the Straits of Johor. Foreign developers build new townships on reclaimed land, exhorting international buyers to invest their future in these projects as well as the rest of Johor.

This paper attempts to explore the political economy underwriting such development, analysing the housing policies and development goals of both the Malaysian government as well as its Johorean counterpart. It does so by focusing on Iskandar Malaysia, a special economic zone (SEZ) earmarked as a high-impact project since 2006 by Malaysia's economic planners. Despite some commercial success, this paper argues that Iskandar Malaysia is bogged down by tensions along two dimensions: *bumiputra* versus non-*bumiputra* interests; and federal government versus state government priorities. The paper unpacks such tensions by analysing the case of Forest City, one of the most high-profile projects in Iskandar Malaysia in recent years.

[1] Keng Khoon Ng is from the Department of Architecture, National University of Singapore, and Guanie Lim is from the Nanyang Centre for Public Administration, Nanyang Technological University, Singapore.

The paper begins with an analysis of Johor's housing situation. It examines statistical data from the relevant authorities to make sense of the demand and supply of houses in the state. The paper then focuses on Iskandar Malaysia, unearthing its origins and subsequent growth trajectory. In particular, it sheds light on the tension between the federal government and the Johor government in managing the development of Iskandar Malaysia. The next section analyses the changes and deviations of Johor's housing policy. In particular, it investigates the provision mechanisms of low-cost housing. A probe into such issues enables a better understanding of the state's long-term housing challenges and solutions. Thereafter, a case study of Forest City is presented for its utility in underlining the inherent conflict of housing development in Johor. The paper concludes with a summary of the main arguments.

OVERVIEW OF HOUSING DEVELOPMENT IN JOHOR

Johor is a state located at the southern end of Peninsular Malaysia. With a total land area of 19,016 km^2 and total population of 3.66 million, Johor is the fifth largest and second largest state respectively in physical and population terms (Department of Statistics 2017). According to the Town and Country Planning Department of Johor (2017), the state's population will reach 6.06 million by 2030. The median income level of Johor is RM3,650, while its unemployment rate is 3.6 per cent (Department of Statistics 2017). The state's capital is Johor Bahru, which generates almost 70 per cent of the state's economic output while housing about 51.1 per cent of its population (1.7 million).

Johor has ten districts — Kota Tinggi, Ledang, Mersing, Segamat, Batu Pahat, Muar, Pontian, Kulai Jaya, Johor Bahru, and Kluang. Johor Bahru occupies prime position, as it hosts the highest number of living quarters and households within the state (42.7 per cent on both metrics) (see Table 1). Due to better employment opportunities in Johor Bahru as well as its proximity to wealthy Singapore, the capital has benefited from internal migration both from within and outside of Johor. As a result, it has become the de facto commercial hub of southern Malaysia. Ranked in second and third place respectively, Batu Pahat and Kluang are the

Table 1: Living Quarters and Households in Johor by District (2010)

District	Number of living quarters			Number of households		
	1991	2000	2010	1991	2000	2010
Johor Bahru	159,371	258,835	390,406	131,101	214,177	331,095
Batu Pahat	66,985	87,306	109,263	59,369	72,573	90,548
Kluang	58,483	72,640	80,421	46,703	57,825	70,018
Kulai	26,089	45,106	65,647	26,089	45,106	65,647
Others	192,558	232,872	269,277	159,868	182,972	218,030

Source: Department of Statistics.

other more populated districts in Johor. However, the number of living quarters and households in both districts trail those of Johor Bahru.

Table 2 illustrates the housing stock in the four most populated and urbanized states in Malaysia. With a total of 1,017,298, Johor holds the second largest stock of residential units, trailing only Selangor. Johor also has a very high supply of incoming and planned residential units. In the serviced apartment category, Johor will soon outpace Selangor when its incoming and planned supplies are fulfilled. With a total of 116,106 units, Johor's stock in serviced apartments will closely resemble that of Kuala Lumpur (116,356). Taken together, these two observations are somewhat odd as Johor's total population trails that of Selangor (5.8 million). While Kuala Lumpur houses only 1.8 million people, it is a far smaller (and denser) territory compared to Johor. Like most of the highly urbanized cities within Asia, Kuala Lumpur suffers from land scarcity, so it is only sensible for a proliferation of high-rise buildings such as serviced apartments to take place. The same cannot be said for land-abundant Johor.

Johor's seemingly lopsided housing stock is reflected in its property transactions. Table 3 displays the residential property transaction in the

Table 2: Housing Stock in 2016

State	Residential units				Serviced apartments			
	Existing stock	Incoming supply	Planned supply	Total	Existing stock	Incoming supply	Planned supply	Total
Johor	731,633	138,369	147,296	1,017,298	12,623	61,961	41,522	116,106
Kuala Lumpur	424,434	42,773	50,588	517,795	35,862	38,168	42,326	116,356
Pulau Pinang	407,107	94,124	48,120	549,321	1,625	1,719	2,848	6,192
Selangor	1,389,220	164,848	92,785	1,646,853	30,254	38,400	14,728	83,382

Source: National Property Information Centre.

Table 3: Residential Property Transaction (Quarter 3, 2016)

Property Type	Johor Bahru	Batu Pahat	Kluang	Kulai	Others
1–1.5 storey terrace	622	197	131	203	356
2–2.5 storey terrace	1,084	249	120	120	250
2–2.5 storey semi-detached	124	41	15	9	96
Detached	78	22	38	7	91
Condo/apartment	376	4	0	4	11
Low-cost house	142	67	61	28	97
Low-cost flat	64	2	0	7	0

Source: National Property Information Centre.

state for the third quarter of 2016. Terrace houses are by far the most popular residential types, while Johor Bahru is the most active market in the entire state. Low-cost house and low-cost flats were collectively the second most transacted properties. This suggests that there is an inherent demand for low-cost housing in Johor, a point further elaborated in the subsequent paragraphs.

Table 4 shows the distribution of newly launched houses in Johor Bahru from 2008 to 2013. Overall, houses in the RM250,001 to RM500,000 price range were the most launched in Johor Bahru. Contributing about 40 per cent of total houses launched, this price range serves as a yardstick for home affordability of the majority of people. At the lower end of the spectrum, the launching of houses priced between RM100,000 and RM150,000 has greatly declined. This is also observable for housing stock priced between RM150,001 and RM200,000, although on a less drastic scale. At the higher end of the market, launching of luxury houses (RM500,001 to exceeding RM1,000,001) has increased significantly since 2010. While these launches moderated in 2013, the long-term upward trend is undeniable.

Table 4: Distribution of Newly Launched Houses in Johor Bahru (2008–2013)

Price range (RM)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Total**
100,000–150,000	1,522	1,621	320	1,485	84	0	5,032
150,001–200,000	1,120	1,130	1,071	1,081	810	528	5,740
200,001–250,000	953	956	937	954	2,293	10	6,103
250,001–500,000	1,877	3,814	2,602	6,053	3,775	3,785	21,906
500,001–1,000,000	496	697	693	2,653	5,078	2,186	11,803
1,000,001–above	87	10	109	388	2,129	1,089	3,812
Total	6,055	8,228	5,732	12,614	14,169	7,598	54,396

Source: National Property Information Centre.

Table 5 shows the varying degrees of housing affordability across the Malaysian states. Johor, with a median multiple affordability score of 4.2, ranks amongst the "seriously unaffordable" category. With about 40 per cent of house launches priced from RM250,001 to RM500,000 in Johor Bahru, private housing in southern Johor has certainly exceeded the state's housing affordability cut-off point (i.e., median housing price) of RM260,000 (see Tables 4 and 5). This issue will likely worsen, as Johor is relatively less urbanized than Pulau Pinang, Selangor and Kuala Lumpur. As it develops and urbanizes further in the near to medium term, housing demand — especially in the urban areas such as Iskandar Malaysia — is likely to intensify. This will in turn jack up housing prices if the supply remains constant. The pressing issues of housing

Table 5: Housing Affordability across States

	Monthly Median Income (RM)	Annual Median Income (RM)	Median House Price (RM)	Median Multiple Affordability	Affordability
Terengganu	3,777	45,324	250,000	5.5	5.1 and Over (Severely Unaffordable)
Kuala Lumpur	7,620	91,440	490,000	5.4	
Pulau Pinang	4,702	56,424	295,000	5.2	
Sabah	3,745	44,940	230,000	5.1	
Pahang	3,389	40,668	200,000	4.9	4.1 to 5.0 (Seriously Unaffordable)
Kelantan	2,716	32,592	157,740	4.8	
Malaysia	4,585	55,020	242,000	4.4	
Perak	3,451	41,412	180,000	4.3	
Perlis	3,500	42,000	181,000	4.3	
Johor	5,197	62,364	260,000	4.2	
Selangor	6,214	74,568	300,000	4.0	3.1 to 4.0 (Moderately Unaffordable)
Negeri Sembilan	4,128	49,536	188,888	3.8	
Sarawak	3,778	45,336	164,667	3.6	
Kedah	3,451	41,412	140,000	3.4	
Melaka	5,029	60,348	180,000	3.0	3.0 and Under (Affordable)

Source: Khazanah Research Institute (2015).

affordability, indeed, can be understood as one of the outcomes arising from the launch of Iskandar Malaysia. The opening up of this SEZ is highly associated with the booming trend of luxury properties in Johor (see also Hutchinson 2015).

ISKANDAR MALAYSIA: JOHOR'S LATEST CROWN JEWEL?

In 2005, the Malaysian federal government, under the new administration of Prime Minister Abdullah Ahmad Badawi, stated the need to refocus development efforts on southern Johor. Learning from the success of Shenzhen–Hong Kong, the federal government assigned Khazanah Nasional Bhd (KNB) to conduct a feasibility study for the development of an SEZ in southern Johor. The following year, the South Johor Economic Region (SJER) (rebranded "Iskandar Malaysia" subsequently) was launched as one of the high-impact projects of the Ninth Malaysia Plan (2006–2010). Guided by the Comprehensive Development Plan (CDP) spanning 2006 to 2025, Iskandar Malaysia can be interpreted as a state-guided effort to promote investment and economic liberalization in southern Johor (Khazanah Nasional 2006). Due to its proximity to Singapore, Iskandar Malaysia is designed to capture the spillover effects from its tiny neighbour. It is also interesting to note that this 2,217 km^2-wide SEZ does not emphasize pro-*bumiputra* policies very strongly. In other words, most economic activities are open to the participation of non-*bumiputra* and international investors (see also Lim 2015, 2016).

The CDP maps out five flagship zones as catalysts for several forms of economic activities. Out of the five flagship zones, Flagship Zone A (Johor Bahru City Centre) and Flagship Zone B (Iskandar Puteri; formerly known as Nusajaya) have attracted the most attention from real estate developers because of their more urbanized outlook and connectivity to Singapore. From 2006 to 2012, real estate investment amounted to RM35.1 billion, representing 33.1 per cent of total investment capital in Iskandar Malaysia (IRDA 2014*a*, 2016). To date, there are about sixty real estate development projects across Iskandar Malaysia, adding a pipeline of more than 380,000 private homes (planned or under construction) to Johor's housing stock. Real estate growth is further stoked by a series of ambitious projects driven by prominent players from both the national and sub-national levels, often in collaboration with foreign developers.

Hosting Kota Iskandar (the new administrative centre for the state government of Johor) and various high-end industrial estates, Iskandar Puteri is often touted the "heart" of the entire SEZ (Hutchinson 2015). Indeed, since the 2006 inception of Iskandar Malaysia, Iskandar Puteri has transformed into an integrated hub where international schools, private universities, high-end properties, and medical centres agglomerate, serving the domestic as well as international populace (with Singaporean and Singapore-based expatriates forming the majority). The federal government-linked corporations (GLCs) have been quick to react to the business opportunities opened up in Iskandar Puteri. Acting as the master developer and land proprietor, UEM Sunrise (a subsidiary of KNB-owned UEM Group) has developed a number of townships in the area. Some of the more popular ones include Puteri Harbour (an international ferry terminal and luxury waterfront township) and a series of medium- to high-end residential projects (e.g., Horizon Hills, Estuari and East Ledang). Medini Iskandar Malaysia (Medini) is another noteworthy urban mega project (that comes with a special package of incentives) undertaken mainly by the federal government through its GLC developers.

Despite such success, it must be mentioned that Iskandar Malaysia suffers from bureaucratic dissonance. Iskandar Malaysia is managed by the Iskandar Regional Development Authority (IRDA), a federal statutory body jointly headed by the Prime Minister of Malaysia and Chief Minister of Johor. While there is certainly policy congruence between both the federal and state governments through the formation of Iskandar Malaysia, the involvement of the former in areas that were previously under the remit of the Johor state government has caused considerable discontent (Hutchinson 2015). Firstly, IRDA's remit of planning, promotion, and facilitation overlaps directly with that of established state government entities, namely the Economic Planning Unit, Johor Corporation, and the Johor State Investment Centre. Secondly, Iskandar Malaysia's inception has circumscribed the revenue-raising potential of the Johor government. Prior to the SEZ, the state (through Johor Corporation) essentially had a monopoly on the sale of industrial land. However, Iskandar Malaysia's emergence has opened up the market to even more participants (linked to the federal government or otherwise), disrupting the near-monopoly of the state government.

Another way to understand the friction between the federal government and state government is to view Iskandar Malaysia as an arena for both sides to compete over housing matters. To this end, Table 6 looks at the development of major projects in the SEZ, displaying the key participants and their mode of collaboration. It is interesting to note that the Johor state government has taken a proactive role in initiating its own mega projects, often times fostering cooperative partnerships with foreign companies. Johor has not lost out to parties aligned to the federal government in its quest to shape Iskandar Malaysia to its own ends, exhibiting a high degree of autonomy. In other words, the inception of Iskandar Malaysia has sparked off a race between the federal and Johor governments, with transnational capital (especially that from China) playing an increasingly noticeable role.

JOHOR'S HOUSING POLICY: CHANGES AND DEVIATIONS

Constitutionally, the Housing Division under the State Secretary of Johor is responsible for the implementation of housing policies and programmes. In line with the national policy, the core objective of Johor's housing policy is to provide sufficient houses that are affordable to its citizens, especially the lower income group. The allocation of low-cost housing and *bumiputra* quotas are the two most direct housing policy tools available to the state government.

In 2013, a study of Johor's housing policy was undertaken by the state government and IRDA. To this end, "Dasar Perumahan Rakyat Johor — Di Iskandar Malaysia" (DPRJ) or "Housing Policy for Johorean — in Iskandar Malaysia" was officially introduced in January 2014. This policy applies to all parts of Johor, barring some exceptions such as Iskandar Malaysia. Another statutory board, the Johor Housing and

Table 6: Major Housing Development Projects in Iskandar Malaysia

Projects	Year of Inception	Master Developer	Partnership	Level of Governmental Collaboration
Medini Iskandar Malaysia	2006	Jasmine Acres Sdn Bhd[a] (60%), United World Infrastructure (20%) and Mitsui & Co Ltd (20%)	Public-private	National, Sub-national, Transnational and Local
Gerbang Nusajaya	2013	UEM Sunrise[b]	Public-private	National, transnational and local
Puteri Harbour	2006	UEM Sunrise	Public-private	National, transnational and local
Country Garden Danga Bay	2013	Country Garden Group (China-based developer) & Iskandar Waterfront Holdings (IWH)[c]	Public-private	Sub-national and Transnational
Forest City	2015	Country Garden Group & Esplanade Danga 88 Sdn Bhd[d]	Public-private	Sub-national and Transnational
R&F Princess Cove	2015	Guangzhou R&F Properties Co., Ltd. (China-based developer)	Private	Sub-national and Transnational

continued on next page

Table 6 — cont'd

Projects	Year of Inception	Master Developer	Partnership	Level of Governmental Collaboration
Greenland Helios Cove	2016	Greenland Group (China-based developer) & IWH	Public-private	Sub-national, Transnational and Local
Senibong Cove	2009	Walker Corporation[e] & IWH	Public-private	Sub-national, Transnational and Local
The ASTAKA	2016	Astaka Padu Sdn Bhd	Private	Local
Ibrahim International Business District	2016	Johor Corporation[f]	Public-private	Sub-national and Local

Notes:
a. Jasmine Acres is jointly owned by KNB and Iskandar Investment Bhd (IIB). KNB, Employees Provident Fund (EPF) and Kumpulan Prasarana Rakyat Johor (KPRJ, a Johor state-owned company) are the shareholders of IIB.
b. UEM Sunrise is a subsidiary of UEM Group, which is wholly owned by KNB.
c. IWH is a Public-Private Partnership involving Credence Resources Sdn Bhd (private equity) and KPRJ (Johor state equity).
d. KPRJ has a 20 per cent stake in Esplanade Danga 88 Sdn Bhd.
e. Walker Corporation is one of Australia's largest private development companies.
f. Johor Corporation is a state-owned conglomerate owned by the state government.
Definitions: *National* refers to federal government and GLCs; *Sub-national* refers to Johor state government and the state-linked companies; *Transnational* refers to foreign developers; *Local* refers to Malaysia-based developers.
Sources: Authors' estimates based upon fieldwork, press release, published reports, and correspondence.

Real Property Board, was soon established to plan and manage Johor's housing in accordance with the new policy.[2]

In principle, DPRJ is a revision of current housing policies in Johor. Similar to the previous policy (1997–March 2013), housing developers are required to allocate 40 per cent (the highest rate in all Malaysian states) of total houses as affordable housing in projects exceeding five acres. There are four types of affordable houses that cater to the needs of different income groups. PKJ Type A and PKJ Type B are the two basic house types that fall directly under the provision of low-cost housing in the new policy. "Rumah Mampu Milik Johor" (RMMJ) is a newer generation of affordable housing programme that caters to middle-income earners. The state government aims to deliver 46,000 units of RMMJ houses by 2018. Out of the total amount, 19,600 units will be allocated in Johor Bahru (Office of Chief Minister of Johor 2015). There are also medium-cost shops that target slightly more affluent middle-income earners, but this category is relatively small vis-à-vis the other three categories. Notably, there is a deviation of policy in which the percentages for affordable houses are slightly different within and outside of Iskandar Malaysia. The deviation is allowed to ensure more flexibility, especially in Iskandar Malaysia (see Table 7). For the provision of RMMJ, 20 per cent is required for housing development within Iskandar Malaysia. For the areas outside of it, only 10 per cent of RMMJ is needed, but a higher percentage of PKJ Type A and PKJ Type B is required. If developers do not adhere to the policy, in principle, RM40,000 for each exempted unit will need to be paid to the state government as a form of compensation (State Secretary of Johor 2014). However, developers cannot get exemption

[2] The new housing board came under fire from critics who claim that it contradicted Malaysia's constitutional monarchy. Subsequently, Johor Menteri Besar Mohamed Khaled Nordin went on to clarify that the Sultan of Johor will not have direct executive control under the proposed Johor Housing and Property Board Bill (*Malay Mail* 2014).

Table 7: Affordable Housing Schemes Inside and Outside of Iskandar Malaysia

Type	Percentage	Built Up Area (sq ft)	Plot Size	Type	Maximum Selling Price (RM)	Proposed Eligibility (RM)
Within Iskandar Malaysia						
PKJ Type A	5%	720	N/A	Strata	42,000	3,000
PKJ Type B	10%	850	N/A	Strata	80,000	4,500
			16’ × 55’	Landed		
RMMJ	20%	1,000	18’ × 60’	Landed (Terrace House)	150,000	6,000
			20’ × 70’	Town House		
			N/A	Strata		
Medium Cost Shop	5%	1,200	N/A	Landed	200,000	7,000
Total	40%	of total development				
Outside Iskandar Malaysia						
PKJ Type A	10%	720	16’ × 60’	Landed/Strata	42,000	3,000
PKJ Type B	15%	850	18’ × 60’	Landed/Strata	80,000	4,500
RMMJ	10%	1,000	20’ × 70’	Landed (Terrace House)	140,000 to 150,000	6,000
Medium Cost Shop	5%	1,200	N/A	Landed	150,000 to 170,000	7,000
Total	40%	of total development				

Source: State Secretary of Johor (2014).

from building RMMJ housing as it is determined to be the most required type of abode in Johor. Moreover, a ten-year moratorium against any transfer of ownership of RMMJ housing has been set aside to minimize illegal ownership transfers.

In addition, the Johor government imposes the highest percentage of *bumiputra* lot quotas and *bumiputra* discounts in Malaysia (see Office of Chief Minister of Johor 2015; State Secretary of Johor 2014). For landed properties priced above RM250,000, developers need to market 20 per cent of the housing as *bumiputra* units (i.e., only for *bumiputra* buyers), with a special discount of 15 per cent on their sale price. For high-rise apartments, there is also a need to allocate 40 per cent of the total housing as *bumiputra* units, and a discount of 15 per cent on their sale price. For the unsold *bumiputra* units, the developers can appeal to the local authority for a release consent. In this new release mechanism, 7.5 per cent of the sale price needs to be paid as a penalty fee to the state government for each unit released. Prior to 2014, no fees were required for discharging the unsold *bumiputra* lots. The new release mechanism enables developers to transfer ownership of unsold *bumiputra* units to non-*bumiputra* buyers through land status conversion.

Taken together, these two policies have enabled the state government to strengthen its capability, especially its coffers. Property taxes, stamp duties, penalty payments, and other administration charges have also generated a sizeable revenue stream for the state government, allowing it to fulfil the undersupply of affordable housing. To date, the state government has collected RM600 million from developers for the conversion of *bumiputra* status lots, which were then used to build more than 6,000 RMMJ units (Azlan 2017). Nevertheless, there is still a mismatch of supply and demand as there are 90,000 registered applicants for affordable housing in Johor, with only 60,000 affordable units (largely produced by private developers and state-linked companies) to be completed by the end of 2019 (Low 2015).

For certain projects within Iskandar Malaysia, the state government adopts a more flexible management mechanism. By legislating new zoning policies for selected projects such as Tebrau, Danga Bay, Medini, Tanjung Puteri and Forest City, foreign buyers are allowed to purchase properties without being subjected to price, nationality, and ethnicity (i.e., *bumiputra*) restrictions.[3] In return, such "International Zones" are subjected to higher than usual land assessment rates and property taxes (Benjamin 2017; *Borneo Post* 2014; Reme 2015). By attracting and keeping the international population within the zones, the state government claims that it can protect locals from being priced out of the market. Nevertheless, this is a relatively new policy. As such, there is a paucity of details on how the zoning policies actually operate.

More prosaically, the implementation of the above policies has not been smooth or easy. In particular, the practice of converting *bumiputra* lots requires a transparent managerial system to ensure its integrity. Although this practice is not new to Malaysian states, the case of Johor stands out because it is quite unprecedented for a state government to manage such a large amount of conversion cases, especially for the relatively new projects in southern Johor. The power of officialdom, unfortunately, also opens up opportunities for ill-intentioned parties to collude and seek rent in some cases. As recently as June 2017, former state executive councillor Abdul Latif Bandi, his eldest son, and a property consultant were charged with twenty-one counts of money laundering amounting to RM35.78 million in connection to a land scandal in Johor. The case pertains to the conversion of *bumiputra* lots to non-*bumiputra* lots in projects at Kota Masai, Tebrau, Kulai, Kempas, Nusajaya and Johor Bahru, the earliest of which stretched back to just six months after Abdul Latif assumed office. More specifically, Abdul Latif Bandi — the former state Housing and Local Government committee chairman — was charged with thirteen counts of money laundering amounting to RM17.59 million (Kili 2017).

[3] In Johor, the minimum threshold for all types of property purchased by foreigners is set at RM1 million, effective from 1 May 2014. Prior to this, the minimum threshold was RM500,000. In addition to this minimum threshold, 2 per cent of the purchase price or a lump sum of RM20,000 (whichever is higher) has to be duty stamped and paid to the government.

FOREST CITY: BOON OR BANE?

There are currently several projects driven by Chinese companies in Iskandar Malaysia (see Lim 2015). The one with the highest profile is arguably Forest City, a Country Garden Group development. It is an ambitious project that purports to be Southeast Asia's largest smart city. It is to be built on four reclaimed islands, spanning an area of 1,370 hectares, which will accommodate a total of 700,000 residents upon completion (*Malay Mail* 2016). It is also scheduled to draw in RM170 billion worth of investment over 20 to 30 years. Located near the Malaysia–Singapore Second Link, Forest City is the project that is closest in distance to Singapore. While the entire Iskandar Malaysia is designed to function as a localized version of Shenzhen (with Singapore mirroring Hong Kong), Forest City is deepening this model by packaging itself as a "mini Shenzhen" within Iskandar Malaysia (Nylander 2017). To this end, three world-renowned companies — McKinsey and Company, Sasaki, and Deloitte — have been engaged to provide it with business strategy analysis, conceptual master planning service, and financial advice, respectively. Forest City is also advocating the installation of environmentally sustainable planning and green building technologies, a feature not commonly seen in the Malaysian real estate sector (Weller 2016).

Country Garden Pacificview Sdn Bhd (CGPV) is the master developer of Forest City. It is a joint venture company between Country Garden Group and Esplanade Danga 88 Sdn Bhd. The project is 66 per cent controlled by the former with the remaining 34 per cent owned by Esplanade Danga 88. Country Garden Group is a Guangdong-based developer from China, established in 1992 and listed on the Hong Kong Stock Exchange in 2007. Its first development in Johor was the 9,500-unit Country Garden Danga Bay residential project. For Esplanade Danga 88, its largest shareholder is the Johor Sultan (64.4 per cent). Another 20 per cent and 15.6 per cent of this company are held respectively by KPRJ (the investment arm of Johor state) and Daing Malek Daing Rahaman (a member of the Royal Court of Advisers to the Johor Sultan) (Aw 2014). Such a tie-up essentially makes Forest City a collaboration between Chinese capital and Johorean capital (primarily driven by the monarch) (see also Lim 2014).

Given the large number of properties in Forest City, the project is likely to generate a significant source of tax revenue for the state government. The Johor state government is expected to earn about RM72 million (based on a RM3,000 payment for each of the 24,227 lots) from the revenue of land ownerships in the first phase of projects on the first man-made island. Furthermore, the state government will earn another RM2.58 million of quit rent from the 24,227 lots in the first phase of the project (Ahmad Fairuz 2017). However, no official data can be found on Forest City's direct contribution to the provision of affordable and low-cost houses in Johor Bahru. There is also no provision of *bumiputra* quota in this project as it falls under the category of the newly established international zone.

More crucially, the houses in Forest City belong to the high-end segment, with an average price of RM1,200 per square foot (Whang 2016). Such a steep price tag has caused some unease in the broader Iskandar Malaysia market for being more costly than other more mature housing projects such as those in Medini (see Table 6). Forest City's exorbitant home prices imply that CGPV is not targeting domestic buyers. To this end, it has focused most of its marketing efforts towards the Chinese market. According to FreeMalaysiaToday (2017), 17,000 units of high-rise apartments have been sold in Forest City, with 90 per cent of the buyers originating from China. This marketing direction, whether intentional or otherwise, has led to some severe criticism on the issues of land and sovereignty, especially from former Prime Minister Mahathir Mohamad and his political allies (*Today* 2017).[4] These incidents hurt not

[4] Mahathir harps on two interrelated issues — the outflow of capital and jobs to Chinese companies and the influx of Chinese citizens. The latter has quickly become a nationwide political issue as Mahathir claims that the Chinese citizens brought in through Forest City would be given identity cards, enabling them to vote in general elections. In addition, he suggests that Forest City will become a foreign enclave owned and settled by the Chinese. These allegations, if proven true, will likely unsettle Malaysia's current political scenario (Mahathir 2017).

only the profile of Forest City, but also the stature of the Johor Sultan and state government. The Sultan, in an interview, responded: "…Mahathir has gone too far with his twisting of the issue … creating fear, using race, just to fulfil his political motives" (Wong and Benjamin 2017). In another move to distance Johor from Mahathir's criticism, the Sultan claimed that: "As custodian of my people, I know what is best for Johoreans" (*The Star* 2017).

While Mahathir's public criticism on Forest City is driven by his own political leanings and the urge to do well as the latest de facto leader of the opposition bloc, there is still some truth in his grievances. To this end, Forest City does not address the issue of low-cost housing, which affects the *bumiputra* community disproportionately. If anything, its emergence merely exacerbates the lopsided nature of Johor's housing situation, documented in the earlier sections. For example, the marketing of houses with an average price of RM1,200 per square foot will most definitely add to Johor's already burgeoning supply of luxury houses (see Tables 2 and 4). It will also put housing further out of reach for the majority of Johoreans. Johor's housing situation is already classified under the "seriously unaffordable" category (see Table 5). There is also the issue of the proper management of new revenue (land ownerships and quit rent) brought about by Forest City. In theory, this new revenue stream can be utilized to help both the poor as well as the *bumiputra* community. However, the arrest of Abdul Latif Bandi, a former key member of the Johor state government, has dimmed optimism on this issue, at least for the near term. More generally, the issue of rent-seeking and corruption has existed in Malaysia for a fairly long period, with no obvious signs of improvement. If anything, Malaysia's resolve to stem corruption seems to have weakened in recent years, as the country slips further down the well-publicized global corruption perception index (CPI) (Carvalho 2016).

To make matters worse, the project was hit by a fresh round of capital controls instituted by the Chinese government in March 2017. This latest round of capital controls has been invoked to more directly curb the outflow of funds and to stabilize the exchange rate of the Chinese yuan. As most of its customers are from China, Forest City has suffered a double blow. Firstly, Country Garden Group has been forced to suspend the marketing of Forest City in China. Indeed, the company has since shuttered all its Forest City sales centres in the country. Secondly, it has to refund buyers who made down payments on properties at Forest City but are no longer able to transfer the rest of the payment out of China (Zhen 2017). Nevertheless, because Country Garden Group salespeople earn a high commission for selling units, they may be reluctant to let buyers off the hook despite the official stance on refunds by senior management. According to Nylander (2017), some investors claim that they still cannot get their deposits back. In another report, about forty Chinese buyers have voiced their grouses against the company's apparent foot-dragging tactics and have since formed a WeChat self-support group called "To quit Forest City and get refunds" (He 2017). As of May 2017, it is not certain whether they have received any refunds from Country Garden Group.

Forest City's emergence also complicates the working relationship between the federal government and the state government. Firstly, one of the project's major selling points is its connectivity to neighbouring Singapore. This also means that a new Customs, Immigration, and Quarantine Complex (CIQ) dedicated to Forest City will have to be established in the future, a claim made by CGPV (*Malay Mail* 2015). However, from a public governance perspective, one needs to question the need for a third CIQ, in addition to the Johor–Singapore Causeway (first CIQ) and Malaysia–Singapore Second Link (second CIQ), as well as its eventual form. While the first two CIQs are open to the public on both sides of the border, the third CIQ cannot be classified as a public good. It is designated for the convenience of motorists entering and leaving Forest City. In other words, the mooted third CIQ serves only private interest groups. Even if CGPV self-finances the construction of this CIQ, much of its operating cost (e.g., salary for the civil servants) will still have to be borne by the Malaysian public because immigration and customs management are the responsibility of the federal government rather than the state government.

More generally, there is the issue of reining in public spending in view of the increasingly strained federal coffers. Although the federal government has acted prudently in recent years to trim public spending, it must be noted that it has never recorded a budget surplus since the 1997 Asian Financial Crisis (AFC). While the economy was in need of a rapid reflation (through state-led stimulus packages) during the 1997 AFC, it is difficult to justify such a policy indefinitely. The long-term repercussion of fiscal indiscipline has also caught up with the federal government with Moody's, one of the world's most prominent credit rating agencies, downgrading Malaysia's outlook to stable from positive in 2016. Among other issues, Moody's was concerned that the national debt was inching higher, at least relative to similarly rated peers. This downgrade is of national concern as any negative deviation in Malaysia's rating will have severe implications for the Malaysian ringgit, investments into Malaysia, bonds and stock markets, and the country's foreign reserves (see Ho 2016). Even in the very unthinkable scenario where the state government takes over the daily running of the third CIQ, the operating cost will still have to be drawn from Johor state coffers.

Secondly, Forest City bears a striking resemblance to another recent Malaysia–China project, Bandar Malaysia. This is a 197-hectare mixed development project in the heart of Kuala Lumpur, Malaysia's commercial centre. Bandar Malaysia encompasses both residential and commercial properties. Its main proponent is 1MDB, a centrally owned GLC linked to Prime Minister Najib Razak (Case 2017). Bandar Malaysia's most important selling point is arguably its transit-oriented outlook. It will serve as Southeast Asia's premier transportation hub, housing the terminus of the upcoming Kuala Lumpur–Singapore high-speed railway, providing railway linkage to several major airports in the region. The entire project is expected to attract a total investment of RM160 billion over 20 to 25 years, with the earmarked investment and gestation period being very close to Forest City's (see Leong 2016). Like Forest City, this project's capital-intensive nature means that a cash-rich partner is needed to finance (partially or wholly) its development. To this end, the 1MDB roped in a Malaysia–China consortium in December 2015, selling 60 per cent of its stake in Bandar Malaysia to the latter (Syed Jaymal 2015). The consortium is in turn 60 per cent owned by China Railway Engineering Corporation (CREC), one of China's largest state-owned enterprises (SOEs), with Malaysia's IWH holding the remaining 40 per cent equity.[5]

To put things into perspective, both Forest City and Bandar Malaysia are projects linked to powerful political figures who have collaborated with different Chinese companies. Yet, they are fundamentally mixed-development projects that rely to a large extent on the construction and marketing of high-end property. Furthermore, both projects require substantial influx of resources (in this case, capital, technology, and high-end labour) for their success. These factors are not easily available in Malaysia because of structural factors such as the pro-*bumiputra* socioeconomic policies (which typically does not reward good performers from the non-*bumiputra* community) and the country's relatively small population (at least in relation to its physical size). These structural shortcomings mean that both projects would have to attract capital, technology, and labour from abroad for their sustainability. It is doubtful how they can co-exist, especially if the global economy does not move out of its slumber. While one can claim that Forest City and Bandar Malaysia are in a good position to attract resources from China, in view of the wide networks of their Chinese investors, China's economic outlook does not inspire confidence as it tries to come to terms with a slower but more sustainable form of economic development. An additional point to ponder is Forest City's extreme southern location. As noted by Hutchinson (2015), the federal government, cognizant of the need to spread out economic growth evenly across all of its states, has traditionally been wary about the southward movement of the country's economic weight. Forest City's emergence, coupled with the

[5] It is noteworthy that CREC's investment into the venture took place merely months after Wright and Clark (2015) of the *Wall Street Journal* reported that nearly US$700 million were deposited into what are allegedly the personal bank accounts of Prime Minister Najib Razak. In May 2017, this joint venture was abruptly terminated by 1MDB, but since then Dalian Wanda Group, owned by China's richest man Wang Jianlin, has been invited by the Prime Minister to participate in the development of Bandar Malaysia (Tho 2017).

vibrancy of the rest of Iskandar Malaysia, could lead to a situation where the tail (Forest City and Johor) wags the dog (the entire country). The misalignment of interests between the federal government and the state government can also be seen in IRDA (2014*b*). This report was published in 2014 and provides the strategic direction and development framework for the growth of the region from 2014 to 2025. It not only reviews the earlier CDP (2006 to 2025), but also integrates various national development plans and local implementation blueprints prepared by IRDA in the years after the release of the earlier CDP. More tellingly, Forest City is not mentioned in the report although CGPV has owned 1,978 hectares of the area since at least November 2013 (Aw 2014). Given Forest City's scale and ambition, it is hard to imagine a situation where the IRDA was not aware of the CGPV's plans. Perhaps because of its exclusion, subsequent land reclamation and construction works conducted at Forest City eventually took place at a moment (2014 to 2017) when there were fears that the Iskandar Malaysia housing sector was overheating (Mahrotri and Choong 2016).

CONCLUSION

This paper has discerned some noticeable shifts in Johor's housing trends, especially since the emergence of Iskandar Malaysia. Firstly, there is a housing boom within the region following the entrance of prominent developers from Malaysia and beyond. Nevertheless, southern Johor (and the rest of the state) still does not provide enough affordable houses as a chunk of this boom is underwritten by the proliferation of high-end homes. While the provision of low-cost and affordable homes in Johor remains a core objective in the state government's housing policy, it offers options for exemption via fine payments and land surrenders rather than more vigorously pressing developers to build social housing. The collection of such monies paves the way for the state government to provide affordable homes through its own in-house schemes such as the RMMJ. The increase of tax revenue is definitely an advantage for the state government, but it will need to establish a more effective and transparent mechanism in utilizing the funds collected from the developers. This will not only manage the expectations of the public and the opposition, but also minimize possible rent-seeking activities from less than honest quarters.

Secondly, the emergence of Iskandar Malaysia has generated tensions along two dimensions — "*bumiputra* versus non-*bumiputra*" and "federal government versus state government". These two conflicts have come to the fore in the development of Forest City, the latest and most high-profile project in Iskandar Malaysia. While the problems triggered by Forest City's emergence are not easily resolved, Johor still needs to map out a long-term plan to manage these tensions carefully if it wishes to sustain its economic growth. More worryingly, these two types of tension are structural in nature and have a long history.

Lastly, there is the uncomfortable observation that Forest City is likely to become an enclave populated by the rich (Malaysians and foreigners). This finding raises some uneasy questions regarding the long-term socioeconomic implications of these mega projects. While Forest City has broader economic objectives such as stimulating high value-added industries, the sustainability of these industries and the associated ecosystem are bound to be threatened if the locals who work in the vicinity struggle to afford homes. There is also some political economic risk involved if the homebuyers originate largely from a certain region, as currently seen in Forest City. Even if Country Garden Group manages to attract significantly more homebuyers from different parts of the world, it still would not dilute Forest City's standing as an enclave of the rich.

REFERENCES

Ahmad Fairuz, Othman. "Johor to Earn RM72m in Revenue from Forest City First Phase". *New Straits Times*, 15 May 2017 <https://www.nst.com.my/news/nation/2017/05/239450/johor-earn-rm72m-revenue-forest-city-first-phase>.

Aw, Nigel. "Royal Businesses — Who is Daing A Malek?". *Malaysiakini*, 18 July 2014 <http://www.malaysiakini.com/news/269133>.

Azlan, Zamhari. "MB: 3,000 Units of Bumi Quota in Johor Converted since 2013". *Malaysiakini*, 4 March 2017 <http://www.malaysiakini.com/news/374521>.

Benjamin, Nelson. “Not Affected by New Ruling on Foreign Ownership”. *The Star*, 24 February 2017 <http://www.thestar.com.my/metro/community/2017/02/24/not-affected-by-new-ruling-on-foreign-ownership/>.

Borneo Post. “International Zone to Limit Foreign Ownership in Johor”. 12 July 2014 <http://www.theborneopost.com/2014/07/12/international-zone-to-limit-foreign-ownership-in-johor/>.

Carvalho, Martin. “Malaysia Slides Four Points down Global Corruption Perception Index”. *The Star*, 27 January 2016.

Case, William. “Stress Testing Leadership in Malaysia: The 1MDB Scandal and Najib Tun Razak”. *Pacific Review* 30, no. 5 (2017): 633–54.

Department of Statistics. (2017, 15-08). Johor. <https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=d1dTR0JMK2hUUUFnTnp5WUR2d3VBQT09>.

FreeMalaysiaToday. “Will Johor Bail Out Forest City if it Falters?”. 14 March 2017 <http://www.freemalaysiatoday.com/category/nation/2017/03/14/will-johor-bail-out-forest-city-if-it-falters-2/>.

He, Huifeng. “How China’s Overseas Property Dream Turned into a Nightmare”. *South China Morning Post*, 20 March 2017 <http://www.scmp.com/news/china/policies-politics/article/2080433/how-chinas-overseas-property-dream-turned-nightmare>.

Ho, Wah Foon. “Will Malaysia’s Rating Change?”. *The Star*, 16 October 2016 <http://www.thestar.com.my/news/nation/2016/10/16/will-malaysias-rating-change-its-budget-season-and-nerves-are-stretched-thin-over-possible-changes-t/>.

Hutchinson, Francis. *Mirror Images in Different Frames? Johor, the Riau Islands, and Competition for Investment from Singapore*. Singapore: Institute of Southeast Asian Studies, 2015.

IRDA. *Annual Report 2014: Ensuring a Sustainable Environment*. Johor Bahru: IRDA, 2014*a*.

———. *Comprehensive Development Plan II, Iskandar Malaysia, 2014–2025*. Johor Bahru: IRDA, 2014*b*.

———. *Iskandar Malaysia 2006–2016: 10 Year Progress Report*. Johor Bahru: IRDA, 2016.

Khazanah Nasional. *Comprehensive Development Plan for South Johor*

Economic Region, 2006–2025. Kuala Lumpur: Khazanah Nasional, 2006.

Khazanah Research Institute. *Making Housing Affordable*. Kuala Lumpur: Khazanah Research Institute, 2015.

Kili, Kathleen. "Ex-Johor Exco Latif Bandi, Two Others Charged with Laundering RM35.7mil". *The Star*, 14 June 2017 <http://www.thestar.com.my/news/nation/2017/06/14/exjohor-exco-latif-bandi-two-others-charged-with-laundering-rm35dot7mil/>.

Leong, Trinna. "Chinese Govt Firm to Invest $2.7b in Bandar Malaysia". *Straits Times*, 22 March 2016 <http://www.straitstimes.com/asia/chinese-govt-firm-to-invest-27b-in-bandar-malaysia>.

Lim, Guanie. "The Internationalisation of Mainland Chinese Firms into Malaysia: From Obligated Embeddedness to Active Embeddedness". *Journal of Current Southeast Asian Affairs* 33, no. 2 (2014): 59–90.

———. "China's Investments in Malaysia: Choosing the 'Right' Partners". *International Journal of China Studies* 6, no. 1 (2015): 1–30.

———. "Value Chain Upgrading: Evidence from the Singaporean Aquaculture Industry". *Marine Policy* 63 (2016): 191–97.

Low, Sock Ken. "Johor Stands Firm on Housing Policy". *The Sun Daily*, 13 December 2015 <http://www.thesundaily.my/node/341849>.

Mahathir, Mohamad. "FDI". *Chedet*, 6 January 2017 <http://chedet.cc/?p=2394>.

Mahrotri, Pooja Thakur and En Han Choong. "$100 Billion Chinese-Made City Near Singapore 'Scares the Hell Out of Everybody'". *Bloomberg*, 22 November 2016 <https://www.bloomberg.com/news/features/2016-11-21/-100-billion-chinese-made-city-near-singapore-scares-the-hell-out-of-everybody>.

Malay Mail. "MB: No Executive Powers for Sultan under New Johor Housing Board Bill". 7 June 2014 <http://www.themalaymailonline.com/malaysia/article/mb-no-executive-powers-for-sultan-under-new-johor-housing-board-bill#xcuqK9I87M86ktia.97>.

———. "Johor Developer wants Customs Facility, Second Bridge Link to Controversial Forest City project". 16 January 2015 <http://

www.themalaymailonline.com/malaysia/article/johor-developer-wants-customs-facility-second-bridge-link-to-controversial>.

———. "Johor's Forest City Accorded Duty-Free Status, PM Says". 6 March 2016 <http://www.themalaymailonline.com/money/article/johors-forest-city-accorded-duty-free-status-pm-says>.

Nylander, Johan. "Troubles in Malaysia's Forest City 'Paradise'". *Asia Times*, 6 May 2017 <http://www.atimes.com/article/troubles-malaysias-forest-city-paradise/>.

Office of Chief Minister of Johor. *Makluman Status Pelaksanaan Pembangunan Rumah Mampu Milik Johor (2014–2018)* [Status Update of Affordable Housing in Johor (2014–2018)]. Kota Iskandar: Office of Chief Minister of Johor, 2015.

Reme, Ahmad. "Johor to Earmark Zones for Foreign Home Buyers". *AsiaOne*, 16 May 2015 <http://www.asiaone.com/malaysia/johor-earmark-zones-foreign-home-buyers>.

Star, The. "Sultan Ibrahim Throws Former Premier a Challenge". 16 January 2017 <http://www.thestar.com.my/news/nation/2017/01/16/sultan-ibrahim-throws-former-premier-a-challenge/>.

State Secretary of Johor. *SUKJ-100-1/7/1: Dasar Perumahan Rakyat Johor* [SUKJ-100-1/7/1: Housing Policy for Johorean]. Kota Iskandar: Johor Housing Division, 2014.

Syed Jaymal, Zahiid. "1MDB Sells Bandar Malaysia Land to Johor, Chinese Consortium". *Malay Mail*, 31 December 2015 <http://www.themalaymailonline.com/malaysia/article/1mdb-sells-bandar-malaysia-land-to-johor-chinese-consortium#tqo4P7PjKPgKlCHv.97>.

Tho, Xin Yi. "Wanda Interested in Bandar Malaysia". *The Star*, 14 May 2017<http://www.thestar.com.my/news/nation/2017/05/14/wanda-interested-in-bandar-msia-firm-owned-by-chinas-richest-man-expresses-desire-to-join-mega-proje/>.

Today. "Malaysia Gains Nothing but trouble from Forest City: Dr M". 17 January 2017 <http://www.todayonline.com/world/asia/look-east-policy-not-about-selling-land-foreigners-dr-mahathir-tells-sultan>.

Town and Country Planning Department of Johor State. "Laporan

Tinjauan Rancangan Struktur Negeri Johor 2030 (Kajian Semula)" [A Review Report for the Planning Structure of Johor 2030 (Revision)]. 2017 <http://epublisiti.townplan.gov.my/rsn/RSN_Johor2030/FlyersJohor2030.pdf>.

Weller, Chris. "Chinese Developers Want to Build a City Covered in Trees and Shrubs from the Ground Up". *Business Insider*, 18 April 2016 <http://www.businessinsider.com/inside-malaysias-futuristic-forest-city-2016-4?IR=T&r=US&IR=T>.

Whang, Rennie. "Forest City Developer Presses Ahead amid Reclamation Issues". *Straits Times*, 8 March 2016 <http://www.straitstimes.com/business/property/forest-city-developer-presses-ahead-amid-reclamation-issues>.

Wong, Chun Wai and Nelson Benjamin. "Johor Ruler Slams Dr M over Chinese Investment Comments". *The Star*, 16 January 2017 <http://www.thestar.com.my/news/nation/2017/01/16/political-spin-angers-sultan-johor-ruler-slams-dr-m-over-chinese-investment-comments/>.

Wright, Tom and Simon Clark. "Investigators Believe Money Flowed to Malaysian Leader Najib's Accounts Amid 1MDB Probe". *Wall Street Journal,* 2 July 2015.

Zhen, Summer. "Country Garden Pledges Refund for Forest City Buyers Caught in Beijing Crackdown". *The Star*, 5 April 2017 <http://www.thestar.com.my/business/business-news/2017/04/05/country-garden-pledges-refund-for-forest-city-buyers-caught-in-beijing-crackdown/>.

PUBLISHING
30 Heng Mui Keng Terrace
Singapore 119614
http://bookshop.iseas.edu.sg

TRS12/17s

ISBN 978-981-4786-55-3

9 789814 786553