RESEARCH:
JOHOR

2H 2025

JOHOR DIGEST

Confidence strengthens as connectivity and investment drivers advance

NAWAWI TIE

RESIDENTIAL

High-rise appeal rises with stronger cross-border prospects

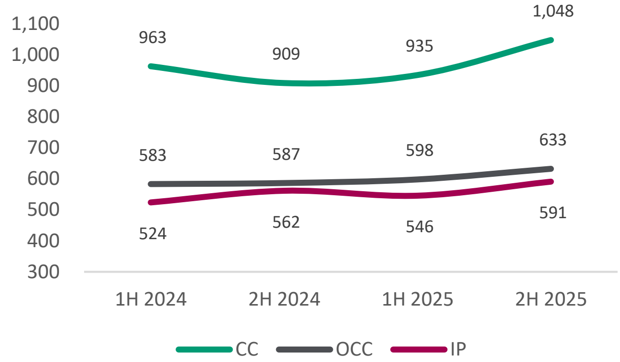
- Johor Bahru district's high-rise residential market saw a lift in confidence in H2 2025, especially after the Johor–Singapore Special Economic Zone (JS-SEZ) agreement was signed in January. Since then, interest has picked up, and the market has a more positive tone from both buyers and investors. Evidently, between 1H and 2H 2025, improvements were seen for the average transactions of selected high-rise residential across all zones.

- The RTS Link continues to be the main driver of investment sentiment. As construction of the Bukit Chagar RTS station progresses, developers have begun launching high-rise projects along the CIQ corridor, targeting future cross-border commuters. Recent launches such as Causewayz Square and Gen Sphere are both located within walking distance of the CIQ, with proposed pedestrian bridges designed to improve connectivity, positioning these projects as convenient options for Singapore-based workers who may eventually commute daily.

- In the outer city centre, new launches such as Sunway Majestic and Skyline (Eastside) One Sentosa offer a different value proposition. As integrated developments combining residential, retail, and lifestyle components, these projects appeal to buyers who want proximity to the RTS but prefer a more balanced living environment slightly outside the city core. Convenience-focused design remains a key differentiating feature in this segment.

- Further from the city centre, broader improvements to public transport planning are gradually shaping interest in suburban locations. The ETS extension to Johor Bahru, which began service in mid-December, has made travel from the central region more convenient. In parallel, discussions around the proposed Autonomous Rapid Transit (ART) system continue to build attention. If the ART is eventually approved and implemented, suburban areas such as Tebrau, Bandar Dato' Onn, and parts of Skudai could see stronger demand due to improved future accessibility.

Figure 1: Average Transactions of Selected High-Rise Residential by Zone, 2024-2025



Source: NAWAWI TIE Research

Table 1: High-rise Residential Launches in H2 2025

Upcoming Development	No. of Unit	Zone
Causewayz Square	4,525	CC
Gen Sphere	638	CC
Sunway Majestic	1,012	OCC
M Grand Minori	843	OCC
Skyline (Eastside) One Sentosa	909	OCC
The Address Maxim Pelangi	1,716	OCC
Sa.Young 3 D'Eco Botanic	1,200	IP

Source: NAWAWI TIE Research

Outlook

- Looking ahead, areas surrounding RTS Bukit Chagar are expected to remain highly attractive to investors, especially for rental-friendly units geared towards future commuters. Integrated developments and suburban townships with improving connectivity will continue to draw owner-occupiers seeking convenience and lifestyle balance. Overall, the residential outlook is cautiously positive, supported by major transport enhancements and rising cross-border mobility, although performance will still depend on location, accessibility, and project positioning.

COMMERCIAL

Commercial market remains resilient amid new supply and upgrades

- Johor's commercial sector saw steady activity in H2 2025, supported by stronger hospitality investment, ongoing mall enhancements and continued interest in mixed-use developments.

- The hospitality segment saw a notable boost with the recent opening of the Sheraton Johor Bahru, strengthening the city's appeal to both business and leisure travellers. Directly beneath the hotel, the SKS City Mall is expected to open next year, adding new retail supply within the city centre and catering to both hotel guests and surrounding residential catchments. In addition, YTL Hotels' RM150 million acquisition and conversion of the former Thistle Johor Bahru into the JW Marriott Hotel Johor Bahru (expected to open in 4Q 2026) signals growing confidence in Johor's hospitality-led commercial ecosystem.

- Retail performance remained generally stable, with selected malls in the Johor Bahru district maintaining healthy occupancy levels at 83%. The Mall, Mid Valley Southkey continues to stand out, recording an occupancy rate of around 98%, which has supported plans for a major expansion of the Southkey precinct. The developer has acquired two adjacent land parcels for RM214.97 million to extend the development into a larger mixed-commercial destination, citing improving sentiment driven by the JS-SEZ and anticipated cross-border spillover from the upcoming RTS Bukit Chagar. Some established malls are taking steps to refresh their offerings, with Johor Bahru City Square commencing enhancement works to expand floor space and introduce hospitality and wellness components, targeted for completion in 4Q 2027.

- Integrated developments continue to gain momentum in Johor Bahru. One Bukit Senyum (Phase 3B) has introduced a RM1.2 billion mixed-use component comprising retail, hotel and branded residences, while Coronation Square Mall within the Ibrahim International Business District (IIBD) is progressing with its retail phase. Notably, CapitaLand Investment Ltd (CLI), a leading global real estate asset manager, has been appointed as retail advisor for both developments, underscoring growing institutional confidence in Johor Bahru's evolving mixed-use landscape.

Table 2: Notable Upcoming Commercial/Mixed Developments in Johor Bahru

Upcoming Developments	Components	Zone
Coronation Square	Retail, Office, Hotel, Residential	CC
SKS City Mall	Retail, Office, Hotel	OCC
One Bukit Senyum (Phase 3B)	Retail, Hotel, Residential	OCC
MBW City	Retail/Commercial, Residential	OCC
Johor Bay Project	Healthcare, Retail, Hotel, Residential	OCC

Source: NAWAWI TIE Research

- In addition, CLI, through its wholly owned lodging business unit, The Ascott Limited, has been appointed to manage the hotel component at Coronation Square, reinforcing the project's institutional-grade positioning.

- In the office segment, the city centre recorded an average occupancy of 70% with rentals around RM3.40 psf, reflecting steady demand for centrally located buildings. Occupancy levels in the OCC and IP were more measured at 51% and 54%, with average rentals of RM3.50 psf and RM3.03 psf, respectively, highlighting a market that remains selective and tenant-driven.

Outlook

- Retail prospects remain stable, with well-managed malls and integrated developments expected to benefit from established catchments and cross-border traffic. While the strengthening MYR against the SGD may soften Singaporean spending at the margins, retail activity should remain supported by accessibility and domestic demand.
- The office sector is likely to remain selective, with demand focused on quality buildings and strategic locations, particularly within the city centre and growth corridors tied to upcoming transport and SEZ-related developments.
- Overall, Johor's commercial outlook is stable with emerging opportunities, supported by ongoing development activity and a gradually strengthening commercial environment

INDUSTRIAL

Strong investment flows support Johor's expanding industrial landscape

- Johor's industrial landscape has continued its strong momentum throughout 2025, especially after the JS-SEZ agreement was signed earlier this year. The state now leads the country in approved investments, overtaking Selangor's long-held top position. In the first nine months of 2025, Johor recorded RM91.1 billion in approved investments. This amount is more than four times the RM18.1 billion achieved in the same period last year, reflecting growing confidence in Johor's role as Malaysia's next major industrial and logistics hub.

- Johor's rising prominence as a regional data centre hub is a major driver of this momentum, particularly within the Kulai–Sedenak digital corridor. The unveiling of Ibrahim Technopolis (IBTEC), a 7,290-acre development planned over 25 years, positions Sedenak as a long-term catalyst for high-value industries. Reinforcing this trajectory, Empyrion Digital, via its parent Seraya Partners, received approval to develop a 34.9-acre, 200+MW hyperscale data centre campus (MY1) within Nusajaya's SiLC Industrial Cluster. Together, these developments reinforce Johor's growing position as a key node for digital infrastructure investment.

- Beyond the digital corridor, several large-scale industrial projects continue to shape Johor's landscape. The 732-acre Alpha Austin Innexus Industrial City in Tanjung Langsat, positioned within the Forest City Special Financial Zone, targets heavy industries while offering industrial plot sizes to suit diverse business requirements. On the west coast, the 3,200-acre Maharani Freeport in Muar is set to serve oil and gas logistics, ship-to-ship transfers, LNG operations and marine services along the Strait of Malacca, broadening Johor's industrial diversification.

- Pekan Nanas is also beginning to gain attention as a supporting area to the JS-SEZ. With comparatively more affordable industrial land and good access to the Second Link Expressway, the area offers an alternative location for smaller manufacturing operations and logistics support activities. Recent project approvals have mainly involved light industrial and green technology activities, suggesting a gradual broadening of its economic base.

Table 3: Notable Industrial Deals in H2 2025

Property	Purchaser	Vendor	Price (RM million)
Logistics Hub in Port of Tanjung Pelepas, Gelang Patah	Pelaburan Hartanah Berhad	Rancak Beta Sdn Bhd	N/A
Freehold land in Kulai	Eco Business Park 8 Sdn Bhd	SD Guthrie Bhd	814.78
Freehold industrial land (5.45 ha)	PGB Landmark Sdn Bhd	Paragon Globe Bhd	64.47
Five industrial properties in i-TechValley	CapitaLand Malaysia Trust	AME Elite Consortium Bhd	220.8

Source: NAWAWI TIE Research

Table 4: Notable Industrial Development in Johor in JS-SEZ Flagship Zones

Upcoming Industrial Developments	Size (acres)	Flagship Zone
Ibrahim Technopolis (IBTEC)	7,290	Kulai-Sedenak
Eco Business Park 8 (EBP8)	935	Kulai-Sedenak
SD Guthrie – AME Green Industrial Park (JV)	641	Kulai-Sedenak
Sedenak Tech Park (STeP) (Part of IBTEC)	745	Kulai-Sedenak
Nusajaya Tech Park (NTP)	519	Iskandar Puteri
Eco Business Park VI (EBP VI)	404	Kulai-Sedenak
Alpha Austin Innexus Industrial City	732	Tanjung Langsat-Kong Kong
MS Industrial Park @ Kulai	419	Kulai-Sedenak

Source: NAWAWI TIE Research

Outlook

- Johor's industrial outlook remains positive, supported by strong policy alignment, cross-border connectivity and continued infrastructure improvements. The Kulai–Sedenak digital corridor is expected to stay a key focus area, particularly for data centre operators and high-value manufacturing due to scalable power access and proximity to Singapore. Demand for ready-built facilities, logistics parks and specialised clusters should remain steady as the ecosystem supporting digital infrastructure expands. Emerging areas such as Tanjung Langsat, Muar and Pekan Nanas may continue to attract interest from SMEs and support-service providers seeking cost-effective, well-connected locations.

DEFINITIONS

City Centre (CC):	An area bordered by the Straits of Johor – Jalan Lingkaran Dalam – Jalan Yahya Awal – Jalan Gertak Merah.
Outer City Centre (OCC):	An area within the Straits of Johor, Sungai Skudai and Sungai Tebrau, up to Lingkaran Pandan and Danga Bay Flyover, excluding the area defined as City Centre (CC).
Iskandar Puteri (IP):	An area bordered by the Straits of Johor - Second Link Expressway up to the Pulai Interchange - Sungai Perepat.
Other City Area (OCA):	Other areas within Johor Bahru not described as CC, OCC, and IP.
Johor Bahru:	Johor Bahru District
Take-up:	Floor space acquired for occupation or investment, including the following: 1. Offices let to an eventual occupier. 2. Developments pre-let or sold. (NB. This includes subleases) Take-up also refers to units transacted in the residential market.
Occupancy Rate:	Total space currently occupied or not available to let as a percentage of the total stock of floor space (NB. This excludes shadow space which is space made available for sub-leasing).

CONTACTS

Daniel Ma Jen Yi
Managing Director, Malaysia
+603 2161 7228 ext 222
daniel.ma@ntl.my

PROFESSIONAL SERVICES

Research & Consulting

Saleha Yusoff
Executive Director
+603 2161 7228 ext 302
saleha.yusoff@ntl.my

Property Management

Azizan Bin Abdullah
Executive Director
+603 2161 7228 ext 311
azizan.abdullah@ntl.my

Valuation

Daniel Ma Jen Yi
Managing Director
+603 2161 7228 ext 222
daniel.ma@ntl.my

Douglas Yaw
Director
+603 2161 7228 ext 224
douglas.yaw@ntl.my

AGENCY SERVICES

Business Space/ Occupier Services

Yasmine Mohd Zamirdin
Executive Director
+603 2161 7228 ext 288
yasmine.zamirdin@ntl.my

Investment Advisory

Brian Koh
Executive Director
+603 2161 7228 ext 300
brian.koh@ntl.my

Residential

Eddy Wong
Executive Advisor
+603 2161 7228 ext 380
eddy.wong@ntl.my

Chong Yen Yee
Director
+603 2161 7228 ext 381
yenyee.chong@ntl.my

Retail

Ungku Suseelawati
Executive Director
+603 2161 7228 ext 330
ungku.suseela@ntl.my

BRANCH OFFICES

Johor Office

Swee Fong Loh
Branch Manager
+607 207 3388
sweefong.loh@ntl.my

Penang Office

Lum Mingming
Associate Director
+604 263 8093
mingming.lum@ntl.my

NAWAWI TIE RESEARCH

Editor:

Saleha Yusoff
Executive Director
Regional Head of Research & Consulting
+603 2161 7228 ext 302
saleha.yusoff@ntl.my

Authors:

Brian Koh
Executive Director
+603 2161 7228 ext 300
brian.koh@ntl.my

Fatin Nabila
Manager
+603 2161 7228 ext 356
fatin.nabila@ntl.my

Zafar Amirul
Assistant Manager
+603 2161 7228 ext 303
zafar.amirul@ntl.my

Farhan Azenan
Executive
+603 2161 7228 ext 312
farhan.azenan@ntl.my

Nawawi Tie Leung Property Consultants Sdn Bhd
Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
Tel : +603 2161 7228 | Fax : +603 2161 1633 | Email : mail@ntl.my

Edmund Tie & Company (SEA) Pte Ltd
5 Shenton Way, #13-05 UIC Building, Singapore 068808.
Tel : +65 6293 3228 | Fax : +65 6298 9328 | Email : mail.sg@etcsea.com

Edmund Tie & Company (Thailand) Co. Ltd.
10th Floor, Silom Edge, No. 2 Silom Road, Suriya Wong, Bang Rak, Bangkok 10500, Thailand.
Tel : +66 (0) 2257 0499 | Fax : +66 (0) 2257 0501 | Email : mail@etcthailand.co.th