

**RESEARCH:
JOHOR**

JUNE 2025



JOHOR BRIEF MARKET UPDATE

**Investor Optimism Grows on Momentum
from Johor-Singapore SEZ Pact**

RESIDENTIAL

Residential demand in Johor is led by locals, Malaysians working in Singapore, and Singaporeans, with the JS-SEZ poised to attract greater foreign interest

Supply

- The Johor Bahru District is the most populous in the region, accounting for 59% of the total existing housing stock, with 610,494 units out of 1,043,319 recorded across the state.
- As of Q1 2025, Johor Bahru recorded 49,153 incoming units and 59,191 planned units, accounting for 73% and 72% of the total incoming and planned supply in the state, respectively.

New High-rise Residential Launches in Q1 2025

- Gen Rise is the first project launched by Majestic Gen in Johor. The site was previously home to Hotel Sentral Johor Bahru, which has since been demolished. The new development will feature a serviced apartment block with 732 units, offering various sizes ranging from 497 sq ft to 1,930 sq ft. Completion is expected by 2029, with the prices starting at RM1,100 per sq ft.
- Launched in March 2025, Arden is the latest project by Astaka Padu and Kimlun at One Bukit Senyum (OBS). The unit sizes range from 797 sq ft to 1,700 sq ft, with gross launch prices starting from RM1,350 per sq ft.

Demand

- Landed properties continue to be the preferred choice for buyers, representing 65% of total transactions in Johor and the Johor Bahru District accounted for 60% of these transactions.

Unsold

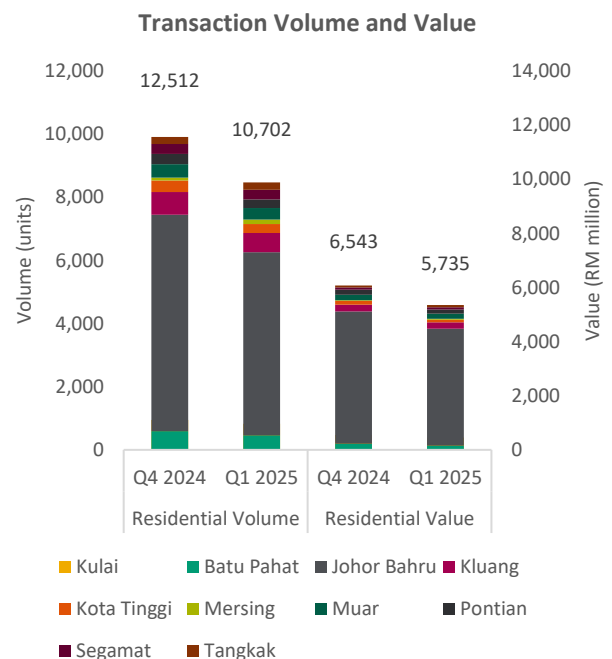
- Johor's high-rise overhang, comprising 85% of the state's total overhang properties, stemmed from a supply-demand mismatch. Previously, reduced foreign interest due to Chinese capital outflow restrictions and local preferences for landed properties had worsened the situation. However, the market is now shifting. The upcoming RTS Link, the establishment of the Johor-Singapore Special Economic Zone (JS SEZ), and the easing of Malaysia My Second Home (MM2H) requirements are generating renewed interest from both foreign and local investors. This growing demand is reducing the residential overhang by -28.6% yoy and -9.5% qoq.

Outlook

- The Johor-Singapore Special Economic Zone (SEZ) agreement is poised to uplift Johor's property market. While residential demand is expected to grow progressively—particularly in the rental segment—owner-occupiers are likely to remain cautious until there is greater clarity on supporting policies and infrastructure rollouts.

Johor	Residential Supply as of Q1 2025	yoy	qoq
Existing	1,043,319	3.2%	0.3%
Incoming	67,419	-17.1%	9.9%
Planned	82,153	-17.0%	8.6%
Overhang	12,920	-24.0%	-7.5%
Unsold Under Construction	14,669	77.6%	32.9%

Johor Bahru District	Residential Supply as of Q1 2025	yoy	qoq
Existing	610,494	4.3%	0.2%
Incoming	49,153	-19.7%	16.0%
Planned	59,191	-26.1%	3.6%
Overhang	11,435	-28.6%	-9.5%
Unsold Under Construction	10,799	109.6%	38.5%



Source: NAPIC; NTL Research & Consulting, 2025

INDUSTRIAL

Driven by manufacturing growth and rising FDI, Johor emerges as a rising data centre hub

Supply

- Johor Bahru District accounts for 63% of the total industrial supply in Johor. The total incoming supply in the district stood at 309 units, offering terrace, semi-detached, cluster, and detached units.

Johor	Industrial Supply as of Q1 2025	yoy	qoq
Existing	19,296	0.4%	0.0%
Incoming	870	31.8%	47.2%
Planned	154	-19.4%	-49.2%

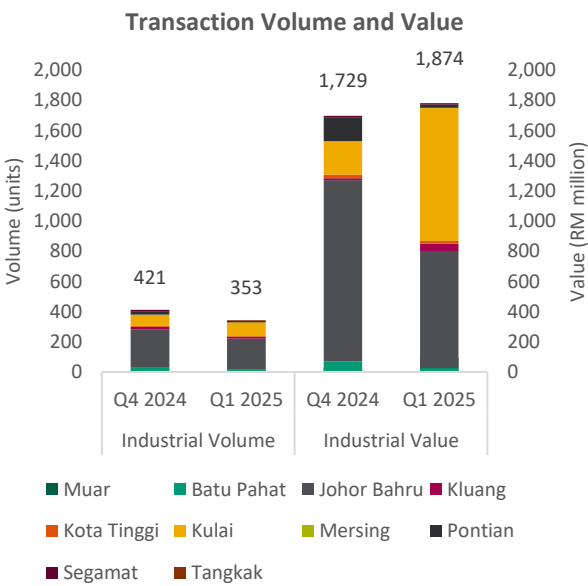
Demand

- In Q1 2025, a total of 353 units were transacted in Johor, with terraced units and semi-detached units being the most prominent. Johor Bahru remains the preferred location for industrial players, accounting for approximately 57% of the state's transactions in the same year.

Johor Bahru District	Industrial Supply as of Q1 2025	yoy	qoq
Existing	12,162	0.3%	0.0%
Incoming	309	-24.3%	11.6%
Planned	44	-65.6%	-36.2%

Outlook

- The industrial market in Johor Bahru District is expected to thrive due to the expansion of the manufacturing sector and an increase in foreign direct investment (FDI).
- Malaysia is set to become the largest data center hub in the region, with Johor emerging as the new hub for data centers. The ongoing development of these facilities is driving a moderate increase in demand for industrial properties.



Source: NAPIC; NTL Research & Consulting, 2025

RETAIL

Johor’s retail market poised for growth, buoyed by a strong Singapore Dollar

Supply

- Approximately 78% of the total retail space in the state is concentrated in the Johor Bahru District.
- Horizon Mall is set to make its debut in Iskandar Puteri, bringing 150,000 sq ft of fresh retail space and new vibrancy to the market.

Johor	Retail Supply as of Q1 2025	yoy	qoq
Existing	26.0 mil	-1.5%	-1.5%
Occupied	19.0 mil	1.3%	-1.4%
Occupancy	72.9%	2.8%	0.1%
Incoming	0.2 mil	376.7%	0.0%
Planned	0.0 mil	-	-

Demand

- The demand for retail space is evaluated based on the occupancy levels of retail centers. In Johor, the average occupancy rate increased from 72.8% in the fourth quarter of 2024 to 72.9% in the first quarter of 2025. There were no new retail developments in the state during this time.
- In Johor Bahru District, the average occupancy rate maintained at 72.4% in the first quarter of 2025.
- In 2024, two significant retail mall transactions took place: Senibong Cove Mall in Bandar Baru Permas Jaya was sold for RM47 million, and Kluang Mall in Bandar Kluang was sold for RMRM158 million.

Johor Bahru District	Retail Supply as of Q1 2025	yoy	qoq
Existing	20.2 mil	-1.2%	-1.2%
Occupied	14.7 mil	2.3%	-1.1%
Occupancy	72.4%	3.6%	0.1%
Incoming	0.2 mil	376.7%	0.0%
Planned	0.0 mil	-	-

Source: NAPIC; NTL Research & Consulting, 2025

Outlook

- The retail market in Johor, particularly in Johor Bahru, is experiencing promising growth. This trend can be attributed to the reopening of international borders and the strong Singapore dollar, which have both fueled shopping activities, especially among Singaporeans.
- Due to limited supply of high-quality malls, occupancy rates for well-located established malls in the Johor Bahru District are expected to increase.

PRIVATE-OWNED OFFICE

JS-SEZ expected to attract investments in high-value sectors, driving up the demand for modern, high-quality office

Supply

- As the economic hub of Johor, the majority of the private office buildings are located in Johor Bahru District (90%).
- In 2024, two purpose-built office buildings were completed: Menara Bank Rakyat at Coronation Square on Jalan Trus in Johor Bahru, which spans 400,000 square feet, and the UMCITY Corporate Tower in Medini, Iskandar Puteri, covering 110,000 square feet.
- NAPIC reported an incoming supply of 1.4 million square feet in Johor, particularly within the Johor Bahru District.

Demand

- Excluding government-owned office space, the occupancy rate in Johor Bahru District was approximately 57%.

Outlook

- The Johor-Singapore Special Economic Zone (JS-SEZ) aims to attract investments in high-value sectors, including financial services, the digital economy, and healthcare. This influx of investment is expected to drive up the demand for modern, high-quality office spaces to support the businesses expanding into the zone.
- Set for completion by end-2026, the Johor Bahru–Singapore RTS Link is poised to transform cross-border connectivity—positioning Johor Bahru as a compelling new hub for regional office expansion.

Johor	Office Supply as of Q1 2025	yoy	qoq
Existing	10.2 mil	-0.9%	-5.6%
Occupied	6.0 mil	-3.8%	-3.6%
Occupancy	58.7%	-3.0%	2.1%
Incoming	1.4 mil	-26.1%	0.0%
Planned	0.4 mil	0.0%	0.0%

Johor Bahru District	Office Supply as of Q1 2025	yoy	qoq
Existing	9.2 mil	4.1%	-1.5%
Occupied	5.2 mil	0.8%	0.7%
Occupancy	56.6%	-3.2%	2.3%
Incoming	1.4 mil	-26.1%	0.0%
Planned	0.0 mil	-	-

Source: NAPIC; NTL Research & Consulting, 2025

CONTACTS

Saleha YUSOFF

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

Swee Fong LOH

Branch Manager, Johor
+607 207 3388
sweefong.loh@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

Penang Office

14 Penang Street,
10200 Georgetown
Penang, Malaysia
T. +604 263 8093 | F. +604 261 2032
Email : mail.pg@ntl.my

Johor Office

Suite 10-08, Level 10, Menara JLand,
Johor Bahru City Centre (JBCC),
Jalan Tun Abdul Razak,
80888 Ibrahim International Business District, Johor, Malaysia
T. +607 207 3388 | F. +607 207 2772
Email : mail.jb@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

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