



## Between Land and People: A Review of Socioeconomic Issues within the context of Rapid Development in Iskandar Malaysia

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### ABSTRACT

In response to globalization and economic competitiveness, Malaysia launched six economic development corridors, covering all the potential areas in Malaysia, and Johor Bahru is one of them. Iskandar Malaysia was launched in 2006 for future economic development in the country as well as to cater the needs of Johor Bahru to modernize its urban and economic infrastructure. Situated in a strategic location and space, Iskandar Malaysia is targeted to be the player of catalytic investment role that will bring direct and indirect investment to Johor. The whole landscape of Johor Bahru is now transforming dramatically, thus worrying the locals and the environmentalists. Environmental issues as well as the concern for social inequality issues have been raised by the locals. Hence, the aim of this study is to address the issues created by the rapid development of Iskandar Malaysia, particularly in Johor Bahru and Nusajaya. The objectives of this paper are to assess the consequences of the coastal land reclamation for Danga Bay waterfront city development and to identify the impact of new-build gentrification towards the local people. The research identifies key social and economic issues and the impacts of these issues have also been identified. To achieve the objective of the study a detailed review on secondary data has been done. The study found that more cooperation and attention from the local authorities, stakeholders and public is needed to ensure urban regeneration and to achieve the objective of social inclusiveness as promised by the vision of Iskandar Malaysia.

## 1. Introduction

Land is considered to be the most fundamental resources for any means of developments. Land use developments reflect human interactions with the environment at scales from local to global (Moeinaddini et al., 2014a and b; Asadi-Shekari et. al, 2015a, b, c and d). Urban growth is a major component of global environment change and the danger of potential undesirable environment and social effects caused by high rates of growth is ever-present (Asadi-Shekari et. al, 2014 and 2016; Moeinaddini et al., 2015a, b and c). Issues often surface on who is to maintain control particular area of land, who possesses the right to participate in decision – making about its management, and the social or environmental impacts of its development (Sultan, 2016; Andrew, 2003; Moeinaddini et al., 2012a and b). In the same time, problems may occur when demands for a limited resource is high due to the uneven distribution of costs and benefits that result from the development and of environmental impacts that arise when the land use changes (Peltonen & Sairinen, 2010; Sultan et. al, 2015; Asadi-Shekari et. al, 2013 a and b; Moeinaddini et al., 2013 and 2016).

Iskandar Malaysia, a regional development corridor located in the southernmost part of Peninsula Malaysia, has resulted in massive land use development particularly in Johor Bahru. The implementation of regional development policies and strategies resulted from the government concerns to regenerate rural deprivation, aiming to accelerate the economic change of a local population. It is also one of the

government's strategies to enhance living standard of the population as well as improving the economic convergence of the states in Malaysia.

Regional development in Malaysia was started in 1950s after the independence. The purpose of urban regeneration measures and initiatives was to reduce problems of land hunger, poverty and unemployment in a rural area (Kasim, 1992). In Malaysia, the implementation of regional development policies and strategies resulted from the governments concern to regenerate rural deprivation. During the last forty years, reducing regional disparities and underdevelopment through the implementation of five year development plans are among the government serious concerned during the last forty years (Muzafar et al., 2012). Moreover, urban regeneration and re-development of brownfields' areas are among the strategies underline in the National Urbanisation Policies. Furthermore, urban regeneration strategies implemented through regional development policies becomes the major development strategy in Malaysia to speed up the economic and social development of its population. Consequently, all the states in Malaysia are divided into six regions namely Northern region, Central region, Eastern region, Southern region, Sabah and Sarawak (Cho, 1990). According to Eskandarian and Ghalehtimouri (2011), regional development strategy was targeted to rebuild the economic development. Among the strategies is including the establishment of regional economic development in Malaysia (Zainul, 1989).

Iskandar Malaysia is currently undergoing rapid development, chasing its vision to become an international and sustainable metropolitan region in 2025 in Johor Bahru particularly. Constructions are heavily taking place within the city centre and the new administrative and commercial areas in Nusajaya. The whole landscape of Johor Bahru is now transforming dramatically, thus worrying the locals, the environmentalists, and the Singaporeans. New land is reclaimed from the coastal area in Danga Bay, Johor Bahru, while lands and homes of the original people are taken to make way for multi-billion dollars skyscrapers development and other “sustainable” developments in Nusajaya. This situation has witnessed widespread urban renewal and new urban and suburban projects which resulted in distinct physical and socio-economic changes.

Nevertheless, the establishment of regional developments in Malaysia is consistent with the rapid economic growth (Lee, 2004). There are three regional economic development formed in Peninsular Malaysia namely the Northern Corridor Economic Region (2007-2025) encompasses the states of Perlis, Kedah, Pulau Pinang and North Perak, the Iskandar Development Region (2006-2025) covering area of south Johor and last is the East Coast Economic Corridor (2007-2020) that covers for Kelantan, Terengganu, Pahang and the north of Mersing district Johor. The development of Iskandar Malaysia is set to become Malaysia's latest and most exciting region offering diverse business opportunities to the potential investor. The introduction of regional economic development in Malaysia was aimed to accelerate the economic change of a local population. Moreover, it was also one of the government's strategies to enhance the living standard of the population and to improve the economic convergence of the states in Malaysia (Salleh, 2000). However, the emergence of regional economic development specifically in Malaysia differs depending on various development objectives and goals.

In the spatial context, the research evaluates the progress of regional development programme towards the socio-economic of local people based on its past and existing approach and implementation mechanism. Based on the problem statements, there are three main derived research questions that the study hopes to answer; i) To what extent establishment of Iskandar Malaysia able to promote sustainable development in the region?; ii) Does the establishment of Iskandar Malaysia affect the social development of the local people?; and iii) What are the factors contributing to the economic development and growth in Iskandar Malaysia?. From the research questions derived, the following objectives of the study are formulated; i) To analyze the strategies and policies for economic growth and their means to accelerate economic development and overcome issues and problems; ii) To identify the factors contributing to the Iskandar Malaysia's regional economic development; and iii) To suggest and recommend improvement on the regional economic development.

The development of Iskandar Malaysia, especially the development of Danga Bay Waterfront City in Johor Bahru city has become controversial and people begin to question the ‘sustainability’ concept that Iskandar Malaysia has been using. Environmental issues as well as the concern for social inequality issues have been raised by the locals. Hence, the aim of this study is to address the issues created by the development of Iskandar Malaysia, particularly in Johor Bahru and Nusajaya. As the objectives of this paper, it is fundamental: (i) to assess the consequences of the coastal land reclamation for Danga Bay waterfront city development; and (ii) to identify the impact of new-build gentrification towards the local people.

## 2.0 Developments in Johor Bahru

Developments in Johor Bahru had already started since its early establishment in 1855 right after the agreement between Sultan Ali and Temenggung Daeng Ibrahim was signed (Sulaiman, 1941; Husain, 1995). It was previously known as Tanjung Puteri, and later as Iskandar Puteri, situated right behind Singapore. Since the land in Iskandar Puteri was so prosperous, it was initially developed for agriculture purposes, mainly for *Gambier* and *Pepper* plantations. The Temenggung brought Chinese immigrants from Singapore to Iskandar Puteri to work and manage the agricultural areas. Small houses and cabins were built for the Chinese immigrants nearby the Seget River, followed by small markets and wine houses to cater their needs.

Johor Bahru as known today is the state capital of Johor, located within Johor Bahru district (Figure 1). Generally, the district is administered by three local authorities as mentioned in Figure 2, which are Johor Bahru City Council (MBJB), Johor Bahru Tengah Municipal Council (MPJBT), and Pasir Gudang Municipal Council (MPPG), covering up a total area of 107 077 ha. Johor Bahru city continues to develop in becoming a great metropolitan region of the southern Peninsular Malaysia, administered by MBJB. The population of Johor Bahru metropolitan area is now growing in a rapid pace, from 1.3 million in 2006 to about 1.7 million in the early term of 2012, as being reported in Johor Bahru Local Plan (RTDJB) 2020.

In Johor Bahru, agriculture is the main land use with a total of 98 083.23 hectares, covers up 53.96 percent of the total area. Meanwhile, residential area is the main built-up land use with an area of 10 301.45 hectares or 2.64 percent of the total area. Until the early term of 2012, Johor Bahru still has a huge portion of land, called the land bank that covers up of 127 140.11 hectares or 69.94 percent for future development purposes (MBJB, 2012).

In social terms, majority of the inhabitants are Malays, encompassing approximately 60 percent of the total population, while 30 percent are Chinese and 10 percent are Tamil. It is the second largest metropolitan area in Malaysia after Kuala Lumpur. It is also an industrial and commercial hotspot of southern Johor, promoting more branches of a

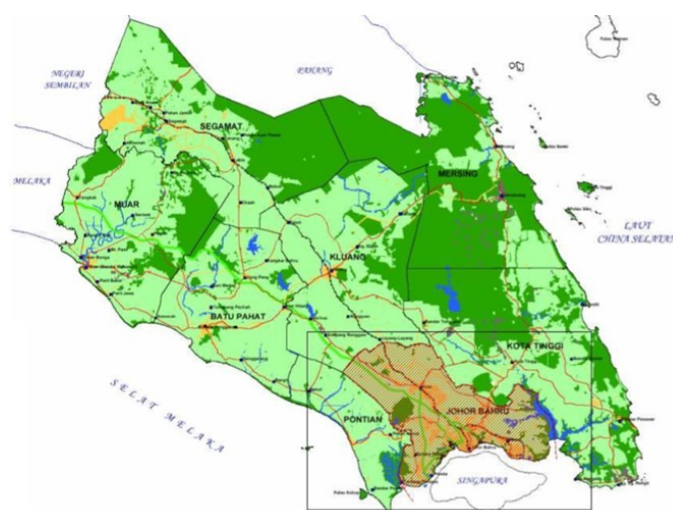


Figure 1: State of Johor and Johor Bahru district (MBJB, 2012).

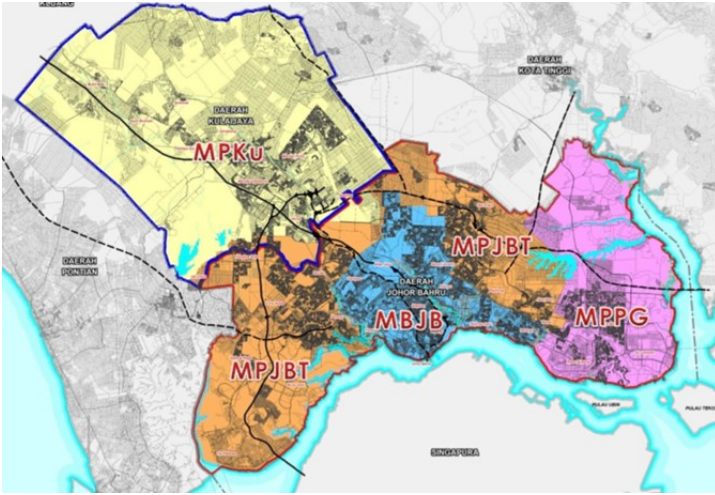


Figure 2: Johor Bahru municipalities' councils (MBJB, 2012)

wide range of major commercial and industrial brands. Located between two powerful regional hubs, Kuala Lumpur and Singapore, Johor Bahru has natural locational advantage as a getaway between these two Southeast Asian (SEA) global economic powerhouses (Rizzo & Khan, 2012). To drive the development growth in Johor Bahru, the state government through the Local Structure Plan 2020 adopted 'Urban Development Strategy', focusing on the development of Johor Bahru city conurbation that covers Kulai in the North, Pasir Gudang in the east, and Tanjung Pelepas in the west. The strategy will raise up the hierarchy of Johor Bahru conurbation as the southern region growth pole, competing and integrating with Kuala Lumpur conurbation as well as complementing the Indonesia-Malaysia-Singapore Growth Triangle (IMSGT).

In response to globalisation and economic competitiveness, Malaysia launched six economic development corridors, covering all the potential areas in Malaysia, and Johor Bahru is one of them. Iskandar Malaysia (formerly known as Southern Johor Economic Region, SJER) was launched in 2006 for future economic development in the country as well as to cater the needs of Johor Bahru to modernise its urban and economic infrastructure. Since Johor Bahru is neighbouring Singapore, the general purpose of Iskandar Malaysia is to compete with and integrate with Singaporean economy.

Situated in a strategic location and space, Iskandar Malaysia is targeted to be the player of catalytic investment role that will bring direct and indirect investment to Johor. A year after its establishment, the Iskandar Regional Development Authority (IRDA) was formed as a statutory Federal government body to execute the Comprehensive Development Plan (CDP) for Iskandar Malaysia. IRDA Act 2007 (Act 664) is then established by Federal Act of Parliament, empowered to plan, promote, and facilitate the development implementation of Iskandar Malaysia. Iskandar Malaysia is established to become "A Strong, Sustainable Conurbation of International Standing", displaying a commitment to have a sustainable urban development. In order to achieve its objective, CDP highlights five strategic pillars, underpinned by three foundations that act as the overarching guiding principles in the development. The five pillars covered the importance of international rim positioning, the establishment of hard and soft infrastructure enablers, investment in catalyst projects, establishment of a strong institutional framework and regulatory authority, and ensuring socio-economic equity and buy in from the local population (CDP, 2006).

Iskandar Malaysia development is focusing on five flagships or key economic zones (Figure 3), which are the Johor Bahru city centre (Zone A), Greenfield of Nusajaya (Zone B), Western Gate Development (Zone C), Eastern Gate Development (Zone D), and

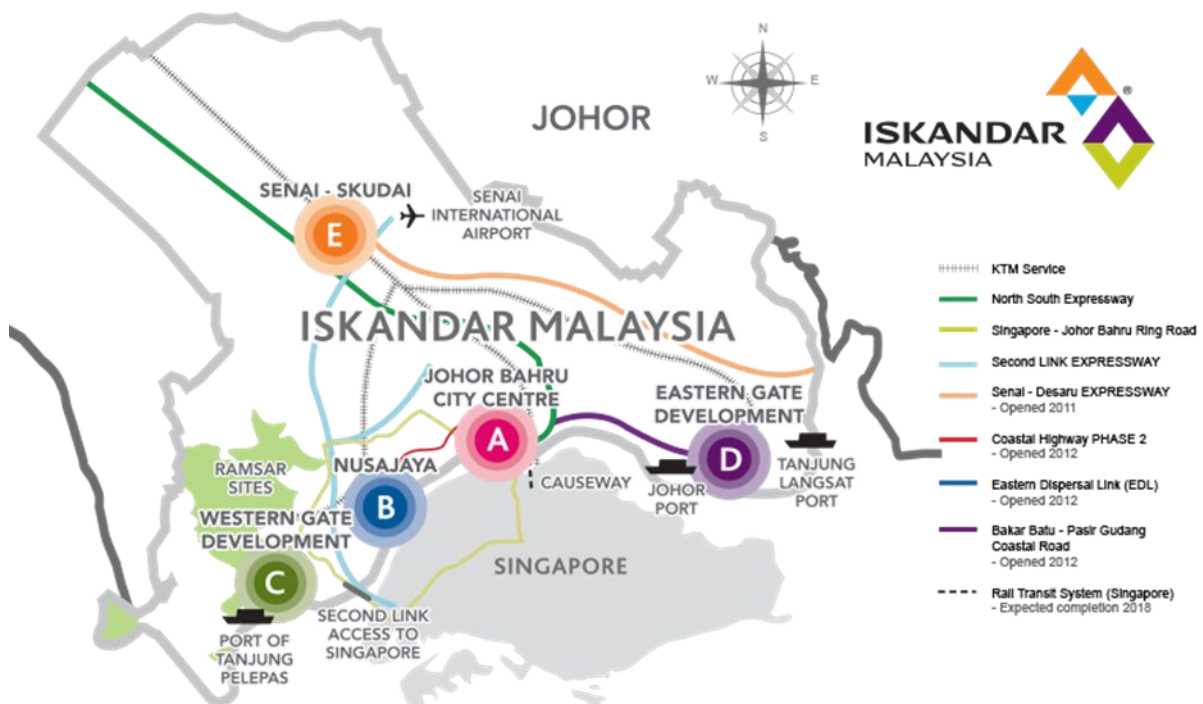


Figure 3: Five flagships of Iskandar Malaysia development (IRDA, 2011)

Senai-Skudai (Zone E). RM4.3 billion was initially allocated by the Ninth Malaysia Plan to build necessary infrastructures in Iskandar Malaysia and it will acquire another RM 335 billion of public and private investments to complete the project by 2025 (IRDA, 2011).

After eight years of its establishment, Iskandar Malaysia is said to be well on track to realising its vision. Economically, as of the first quarter of 2013, Iskandar Malaysia has a total of RM111.37 billion cumulative committed investments, surpassing the Phase 1 (2006-2010) target by 47.9 percent. The total committed investments made in 2001-2012 already make up 50.4 percent of the RM 73 billion target for Phase 2 (2011-2015). Iskandar Malaysia has emerged as the second largest recipient committed investment in manufacturing, services, and primary sectors as at end 2012. It also generated the most employment opportunities, creating 154 000 new job openings since 2006 until December 2012, marking up nearly 19 percent of its 2025 target or 817 500 new jobs.

### 3. Land Use Development Issues

#### 3.1 The “Land”: Coastal Land Reclamation in Danga Bay

There was once a famous place in Johor Bahru that had caught attentions amongst tourists and local residents. Lido Beach or locally known as *Pantai Lido* was a tourist attraction, located along the banks of the *Tebrau Straits*, erected as long as 3 kilometres from *Teluk Danga* mangroves to the city centre. It used to be an ideal place for the urbanites to relax, strolling, enjoying the breeze, and even a great spot for fishing (Figure 4). Historically, the Johor royal families used to have picnics on the beach during weekends and stay in their vacation palace, called the *Istana Hinggap*. During festive seasons, *Pantai Lido* became lively with stalls of local delicacies lined the coastal pavement selling delicious food (Thukiman, 2011).

Unfortunately today, *Pantai Lido* can never be traced back since the whole beach has been reclaimed for multi-billion dollars development.

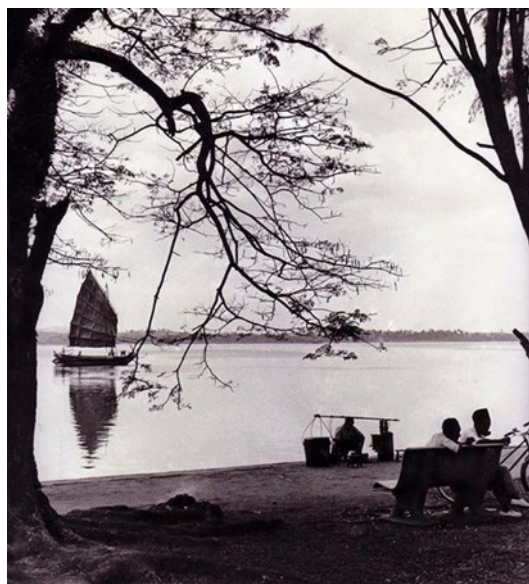


Figure 4: Pantai Lido in 1950s

Source: Courtesy to *Persatuan Bangsa Johor* (Johor Nation Society)



Figure 5: Danga Bay waterfront city

Source: Iskandar Waterfront (2014).

The natural elements of the beach and mangrove were totally demolished in 1997 to make way for Danga Bay development and it was completed in 2003. With Iskandar Malaysia being introduced to the nation in 2006, more coastal developments were proposed in order to achieve the vision that is so called as “sustainable development”.

The CDP (2006) has defined the coastal zone for Iskandar Malaysia which encompasses the waters of Johor Straits within Malaysian boundary and a 3 kilometres inland zone along the coastline of Johor Straits. It extends all the way into Pontian and Kota Tinggi where the Johor Straits waterway leads into two open waters which are the Straits of Malacca on the west and the South China Sea (on the east). According to the Integrated Land Use Blueprint for Iskandar Malaysia, the coastal development is included in Urban Spatial Strategy for Johor Bahru City Centre (JBCC) to promote more mixed use development in particular on the waterfront precincts and to encourage city living as well as optimising urban facilities for city dwellers (IRDA, 2011). There are four waterfront precincts that have been identified by Iskandar Malaysia and are now being aggressively developed to supposedly preserve and enhance good quality urban environment and the scenic view of Johor Bahru waterfronts.

It is true that the strategic location of Johor Bahru for being closed to Singapore offers a great opportunity to invest and regenerate the urban landscape for the sake of economic development of the nation. The development will not only create an attractive new feature for the city but also provide the opportunity to create new public spaces for the benefit of the growing population. The opportunity to reshape the coastal area will result in a new and vibrant waterfront that will link Johor Bahru City Centre to Danga Bay development. The government has assigned *Iskandar Waterfront Sdn Bhd* to be the master developer of 4000 acres of prime waterfront land in Johor Bahru with about 2000 acres of land that will be reclaimed for a new waterfront city.

One of the Danga Bay development projects is the *Tropicana Danga Bay* by *Tropicana Corporation Sdn.Bhd*. RM 8.3 billion was invested for two phases of luxury urban-residence development, involving reclamation of 450 acre of coastal land in Danga Bay. *Tropez Residences*, the first phase of *Tropicana Danga Bay* is recently completed, located just above the Danga Bay waterfront. 38 stories of luxury condominiums stand majestically with gardens, greeneries, and water features in the open spaces, a concept that is called as “redefined” trendy urban living. The development is also claimed to be environmental-conscious because *Tropez Residences* is the first residential development in Johor Bahru to implement a purpose-built Automated Waste Collection System



**Figure 6.** Tropez Residence, Tropicana Danga Bay  
Source: Tropicana Danga Bay (2015).

(AWCS) for a cleaner, greener and more cost-efficient waste handling (Tropicana Danga Bay, 2015).

In terms of economic, there is no doubt that investing towards such development will bring more benefits and profits to the nation economic development, particularly for Johor state. However, it will be questionable regarding with the concept of “environmental-conscious” development and also the buyers. The development concept somehow might be in line with the concerns for green urban designs and buildings. But in this case, to build such green development, a hundred years mangrove forest was reclaimed, replacing it with man-made land served as the base for the development. Tropicana Danga Bay development only covers a small part of the waterfront city project, but there are others including *Country Garden*, *Senibong Cove* to name a few, waiting to be completed in 2025 on the 2000 acres of reclaimed coastal land so that the vision of having a so called “integrated waterfront city with green design and eco-friendly urban environment” would be realised.

Singapore has voiced out concerns for the development because it will give huge potential trans-border impact, particularly the environment. But then Johor backs up the coastal development project, saying that Singapore is also doing the same thing, reclaim the coastal land for development purposes. For Singapore, although it is controversial, coastal land reclamations are intended for residential development since land in Singapore is very limited and it is crucial to cater the booming population. Unlike Singapore, Johor Bahru still has plenty of lands that are waiting to be developed and the population, although is increasing, is not as many as the Singapore has. However, thanks to the potentiality of Johor Bahru coastal areas, developers are more preferred to invest on waterfront city development. When questions about environment are issued, the Chief Minister of Johor, *Datuk Mohamed Khaled Nordin* said that all projects on reclaimed land in Johor had receive environmental impact assessment (EIA) approval from the Department of Environment (DoE) (Lee, 2015).

On the other hand, the Malaysian Nature Society observed that the huge coastal land reclamation affect the annual migration of thousands of birds that flocked here from East Asia to Australia (Shah, 2014). Migratory birds, such as the storm storks, could usually be found along the riverbeds at Danga Bay as the birds feed on small crabs, fish and mudskippers. However, the massive development along the coastline has influenced the ecosystem where food becomes scarce for these birds since the mangrove forest is no longer exist. Again, the vision of Iskandar Malaysia development towards “Sustainable Metropolitan Region” is questioned since the natural ecosystem of Danga Bay is not maintained even though environmental measures had already taken.

The second issue regarding to the coastal reclamation for waterfront city development will be the question on who is going to live there. Iskandar Malaysia as well as the state government, of course, always came out with the promising statement that the developments that are being constructed will benefit all Johoreans, enhancing the local quality of living in a modern sustainable metropolis that will put Johor Bahru in the eyes of the world. The statement, for certain reasons, will never be wrong. However, looking back to the Tropez Residences, a single unit is opened to the market starting from about RM 630 000 to RM 1.5 million, and one unit is open for rental for about RM 4000 per month. Country Garden and the other following residential developments along the reclaimed land would offer the same or even higher than that. Hence, this situation will never please the locals because it is beyond their ability to own such houses although median monthly gross household income has very much increased from RM 2211 in 2004 to RM 4585 in 2014 (Malaysia Economic Planning Unit, 2014). In the nearest future, the whole waterfront city will be inhabited mostly by foreigners, especially the Singaporeans and the Chinese, not by Malaysians. Most of the investors are from China, and Country Garden Holdings, investor for the proposed development is one of the Chinese company for which the Sultan of Johor is a minority partner. There are several other projects that are intervened by the power of the sultan. As a businessman, the sultan always want developments that are profitable for its own state. In economic sense, such developments are needed to bring wealth to the country, but for the locals, sustainable, green luxury houses would never be in their to-buy lists.

Once the reclaimed coastal area is fully developed, Johor Bahru will become an international metropolitan area greater than Kuala Lumpur. The economic development would be promising, but there is another issue that is waiting to surface within the region. As mentioned, the waterfront city comprises many luxury houses, condominiums, and apartments, with shopping malls and parks for leisure and tourist attractions. In the same time, it is expected that new job opportunities will be created for vast numbers of citizens. The whole area will be inhabited by more than 10 000 residents and will attract thousands of employees and tourists within the city centre and Danga Bay, which is a positive sign for economic development. However, upon its completion, *Jalan Skudai*, the main road that connects the whole area of waterfront city would have to accommodate thousands of motorised vehicles. Until today, there is no clear sign from the government to create new means of effective public transportation and if this is persisted until 2025, Johor Bahru will terribly become congested (Sultan et al., 2015). With 3 million populations for the upcoming 10 years, the state and federal governments have to figure out any possible means to

**Table 1:** Median Monthly Gross Household Income by Ethnic Group, 2004-2014 in RM

	2004	2007	2009	2012	2014
Malaysia	2211	2552	2830	3626	4585
Ethnic Group					
Bumiputera	1862	2228	2531	3282	4214
Chinese	3089	3452	3631	4643	5708
India	2469	2760	2836	3676	4627
Other	1567	1884	2088	2762	4372

Source: Malaysia Economic Planning Unit (2014).

improve public transportation system in Iskandar Malaysia before disasters happen.

The reclamation project today has already become controversial and concerns about transboundary impacts, environment, and the marketing have been raised both by Singaporeans and the locals. Since the project is massive and still under construction, the authorities will only inform the locals all the good things it will serve to them. Whatever controversial questions are asked, the construction is still going, by any means and to any extent so that the vision of Iskandar Malaysia to become “Sustainable Metropolitan Region” will be realised.

### 3.2 The “People”: Gentrification in Nusajaya

Gentrification, referring to the displacement of low-income groups by wealthier ones in central and working-class urban areas (Lees et al, 2008) has been claimed to be a powerful force that often rapidly transforms the physical, economic, and social characteristics of a city, and it is now happening in Iskandar Malaysia (Khalil et al, 2015; Sultan et al., 2016). RM43 billions of private investment is received to develop Iskandar Malaysia for the establishment of firms, institutions, and professionals related to the knowledge economy in order to raise the value chain in Iskandar Malaysia (Khazanah Nasional, 2006). Nusajaya, the new administrative and commercial centre of Johor, is built from a green field area into high-end, new-build developments, thus making it clear that Nusajaya is now experiencing phenomena of new-build gentrification (Khalil et al, 2015). It is in the form of the development of large-scale, luxurious apartment blocks and their consumption mostly by middle and high classes. Although residential developments in Nusajaya are not merely focusing on large-scale luxurious condominiums and apartments, it is still in luxurious form that can only be afforded by the wealthy. The development has taken up land owned by villagers including their agricultural land. 400 households in *Kampung Baru* and *Gelang Patah* were evacuated, while several families in eight traditional Malay villages namely *Tiram Duku*, *Pekajang*, *Tanjung Adang*, *Kampung Pok*, *Tanjung Kupang*, *Ladang*, *Pedas Laut* and *Paya Mengkuang* also had to move elsewhere. Some people were relocated to new settlement such as *Taman Perintis 1*. Villagers and fishermen communities are being relocated elsewhere in Johor Bahru, including to the periphery of the metropolitan region, to facilitate

Iskandar Malaysia development. Before the implementation of Iskandar Malaysia, Nusajaya was a rural area. The surrounding area was inhabited mostly by an aborigine group called the *Orang Seletar* or Seletar people. Most of the household involved in agriculture and fisheries activities. The trends have now changed as the percentage of households involved in agriculture and fisheries activities have declined significantly. The rapid development of Nusajaya as a new town centre caused not only displacement and loss of agricultural land, but it also change the pattern of the employment sector. The *Seletar* people as well as the local people living in the area can be categorized as poor since the monthly income of most of the head of household (HOH) is still low. The average monthly income of HOH in 2011 is RM 1,022 a slight increase compared to RM 911 in 2007. However, the average monthly income of the household increased from RM 1,486.25 (in 2007) to RM 2, 094.41 (in 2011) (Rostam et al., 2011). In 2007, the number of HOH with monthly income below RM 1500 was 59.5 per cent. The percentage decreased further to 35.5 percent in 2011.

The new residential schemes of Nusajaya, have transacted prices exceeding RM 600,000. The transaction of 2-storey terraced house located in *Sutera Utama* and *Horizon Hills* are in the range of RM 260 to RM 456 per square-foot in 2012 in average. *East Ledang* achieved a higher transaction value in the sub-sale market at RM480 per square feet followed by *Horizon Hills* RM400 per square feet. Meanwhile, the *Puteri Harbour Service Residence* was launched at RM 625,000 to RM 2,300,000 per unit. The older single and double-storey terraced houses in *Bandar Bukit Indah* have however not increased at the same rate indicating that the price of the surrounding older residential schemes has not been affected by the Nusajaya development. Gated and guarded security and better management remained the main features for better popularity. Demand for bungalow land in Johor Bahru has pushed up the transaction value on a year to year basis. *Leisure Farm*, *Ledang Heights*, *Taman Ponderosa* and *Taman Impian Emas* are the popular housing estates that provide bungalow lands. Average prices in these estates range from RM 40 to RM 120 per square feet (William & Abdul Rahman, 2013).

Rising property values may be good for owners as well as developers but bad for the poorer households trying to purchase a home in the area. In the context of developing countries, for some extent, the housing problem is more quantitative than qualitative due to the high rate of urbanization and the wide gap between the demand and supply of houses

Table 2: Head of Household (HOH) and household income changes in Nusajaya

Monthly Income	2007		2011	
	HOH	Household	HOH	Household
< RM 499	12.5	11.5	8.0	6.0
RM 500 – RM 999	27.0	25.5	13.5	14.0
RM 1000 – RM 1499	20.0	27.5	14.0	14.5
RM 1500 – RM 1999	17.5	11.0	20.0	20.5
RM 2000 – RM 2499	6.0	6.0	14.5	14.5
RM 2500 – RM 2999	6.0	6.0	9.5	9.0
RM 3000 – RM 3499	3.0	4.0	7.0	7.5
> RM 3500	8.0	8.5	13.5	14.0
Total	100	100	100	100

Sources: Rostam et al (2011)

(Jaiyeoba & Aklanoglu, 2013; Gul et al., 2016). In Iskandar Malaysia, as most developer competes to build luxury homes, it raises some concern since there is already an oversupply of those types of homes. If overbuilding occurs in Iskandar Malaysia, it can be detrimental to the mid-term overall physical market. Although such development may not pose an issue since foreign developers are attracting foreign buyers, it raises concern among the locals who have to purchase more affordable properties further away from this area. The non-Malay poor, particularly the ethnic Indians, cannot even afford low-cost housing due to increasing house price. The property purchases by the foreign expatriates in Nusajaya have resulted in housing unaffordability for the middle and low-income residents. As Nusajaya consists of exclusive residential area, new-economic profile has emerged. Only people with higher socio-economic status can afford to buy such houses. This is evidenced by more than 40% of foreign ownership of properties in Nusajaya.

#### 4. Conclusion

Iskandar Malaysia seems to be promising in developing a better urban living condition with ambitious vision to compete and stand together with the strong Singaporean economy. However, the regional development is somehow too ambitious and too rapid since it aims to achieve its vision within 2025. This has resulted the development that supposed to be sustainable into unsustainable because important natural elements of the environment are wiped out and the residential developments are only for those who are rich enough to live in a million dollar house. In fact, gentrification has been adopted in Nusajaya as a desirable urban strategy, striving to upgrade their places in the global urban hierarchy. If this situation keep on persisting, the objective of Iskandar Malaysia that aspires to help strengthen the socio-economic of the local people would never be possible to achieve. The perception that local community cannot even afford to purchase a comfortable home at an affordable price is extremely unpleasant situation. New build gentrification has inevitably changed the socio-spatial structure of the region. Therefore, if no further effort is taken to improve the impacts of these situations, it is difficult to achieve the objective of social inclusiveness as promised by the vision of Iskandar Malaysia.

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