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A vision big enough to share

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FOR several years, not many people were aware about what was happening behind the blue barrier around Pantai Lido, a traditional hangout place for residents of Johor Bahru. It was the site of the RM15 billion Danga Bay development, but since the project was announced in 2000, there had been little news of it. You'd be forgiven for thinking it was yet another mothballed dream.

In fact, it was only when Prime Minister Datuk Seri Dr Mahathir Mohamad paid a visit in February 2003 for the official launch ceremony that the extent of the project's progress was unveiled. Project manager Limbongan-Ekoveest Management Sdn Bhd, a joint-venture between Pembinaan Limbongan Setia Bhd and Ekoveest Bhd, has kept busy with some RM100 million worth of works, including some 32.4 hectares of land and island reclamation.

In fact, a four-block condominium, the Pacifica Resorts Apartments, launched in end-2000, is set to be completed by the year, with the topping-up ceremony in April. Some 87% of the 320 units, priced from RM230,000, have been taken up.

This, however, is only a fragment of the mammoth 648-hectare Danga Bay development, developed by Danga Bay Sdn Bhd, that will see the transformation of humble, low-lying land in four riverfront precincts into the 'Vision City of the South' in the course of some 15 years.

'The Danga Bay vision is to create an integrated waterfront city, with commercial, resort and residential components,' Datuk Lim Kang Hoo, director of Limbongan-Ekoveest, tells Housing & Property in an interview in Johor Bahru. 'We want to promote the lifestyle waterfront concept' not unlike those in major cities such as Sydney, San Francisco and Vancouver.

Though one would have expected much fanfare in the past years, the mega project decidedly remained low profile as the developer was treading cautiously in the wake of the Asian financial crisis. It was a time of strategising, planning and building up the project's branding. The Pacifica, Lim says, was launched to test demand in the recovering property sector. 'The market responded to the lifestyle we offered. The first block was basically sold out before the launch.'

'We wanted to go slow; even though the response was good for the Pacifica, we didn't go further as the market was uncertain,' he adds. 'At the beginning of 2003, we're moving into full swing again.'

And full swing it is. The first phase of development will see the creation of a major tourist and commercial destination for the region. Under the development master plan, designed by Cadiz International, the initial phase will showcase five major developments - Pantai Lido, a green park development; Festive Tourist Street Mall, a waterfront shopping mall development; The Market Quay, a mixed-use waterfront residential, office and commercial development; The Bay View Residences, an exclusive residential enclave; and The Promenade Walk, the 7 km esplanade.

Within a year, Johor Bahru residents can expect to enjoy the newly upgraded Pantai Lido. 'Pantai Lido is the entry point to the whole project; it's very important to this scheme,' says Lim. 'Johorians need a place to go to, and they will be able to enjoy the park with so many facilities.'

The 12.65-hectare green park, with a 2 km-long walk through it, will encompass various park features and interactive elements. Park components include a floating restaurant, Lido Walk, an orchid park and flower show

pavilion, international restaurants, the Danga Bay Food Plaza, celebration grounds, with weekend artistes shows and events, a crescent walk, a marina and canoeing kiosk, a children's playground with skateboard area, a water theme park and children's water park, an amphitheatre, performance stage and cultural centre, a bamboo garden and a formal garden. 'Every element has its iconic value,' says Colin Ng, who is part of the corporate development team under Lim at Limbongan-Ekoveest.

The 10-hectare Festive Tourist Street Mall, a tourist-class hotel and service apartments-cum-hotel are expected to be completed within three years. The Market Quay and Bay View Residences will integrate 'living environments with places of work and recreation'. Properties at Danga Bay are carefully designed so that each unit overlooks the water or a park.

'We want to offer a lifestyle that is available overseas,' says Lim. 'When you buy a holiday home overseas, you can only go once in a while. But if you buy one here, you can come every weekend.'

As one would expect, the size of the Danga Bay project has raised its share of eyebrows. After all, the Johor property market has been burdened by severe overhang in recent years. The Waterfront City Lot 1, for example, saw its occupancy decline to 35% in 2002 due to low number of shoppers and the closing of several mini anchor tenants.

According to the Property Overhang Report, Johor contributed 25 per cent of the 43,541 unsold residential units in the country, as of the first quarter of 2002. Of the 11,044 unsold units in the state, 63% were located in the Johor Bahru district.

The outlook is also overcast. 'The worst recession ever experienced by the island state of Singapore and the expectations of higher unemployment and later-than-expected turnaround in the economy is likely to have an equally adverse impact on the Johor Bahru overall economy,' reads a report by property valuer CH Williams Talhar & Wong. 'The year 2003 is expected to be another difficult year for the Johor Bahru property market. Retail, low-end housing and hospitality are expected to be active, while other sectors remain stable.'

However, Limbongan-Ekoveest is confident of Danga Bay's prospects. 'We're not competing with existing mixed developments,' says Lim 'This is a waterfront project; it's a totally different concept.'

Another plus point for the project is its unique location - on a bay fronting the Straits of Johor, half an hour from Singapore, yet within the city area. 'It's prime inner-city living on the waterfront,' says Ng. 'The project is not in the middle of nowhere; instead, it's bordering established housing estates such as Taman Perling, Taman Sutera and Taman Permata.'

The key, Ng notes, is to be market driven. 'It's a question of responding to market needs with certain types of products,' he says. 'We need to have a different niche and to remain focused on what the market is telling us.'

While the concern of the huge incoming property supply is valid, parties involved are not too perturbed.

'The project will add to the overhang, and the developer is mindful of it,' says Samuel Tan, director of KGV-Lambert Smith Hampton, which acts as marketing agents for Danga Bay. 'Timing is important; that's why the development is spread over 15 years. The developer must act according to market forces. When they realised the market was not good, they held back. If they continue to put their ears to the ground and come up with products needed and demanded by the people, there should be no problem.'

Lim says the company planned to invite investors, both local and foreign, to develop different portions of the land. 'In any business, we want it to be fast,' he says. 'For a project of this size, we need many

participants to make this vision of an integrated waterfront concept to be realised as fast as possible.'

Current investors are mostly locals. 'There has been strong local interest for partners,' Lim says. 'In the past, we didn't go all out. Now is the time to go all out, to launch it locally and internationally.'

The company will be embarking on road shows to Japan, Dubai, the United States and Europe to promote Danga Bay. Targeted investors or partners include property developers, institutions, multinational companies, trust funds and banks.

'They must buy into the concept and branding,' says Ng. 'We don't want adhoc development. They must understand the vision of Danga Bay's lifestyle resort living and be willing to go hand-in-hand with us.'

For Lim, managing a project of this magnitude is a new experience, but he is taking it in his stride. 'Danga Bay means everything to me. I'm learning everyday, and there's still a lot to be learned. I have a big team of consultants experienced in creating waterfront residential products.'

And it's the same enthusiasm that's driving the development forward. After all, moving ahead, there're lots more work to be done, more accomplishments to achieve, and more challenges to meet.

'The challenge keeps on changing from time to time. We're working closely with the government, and the state and federal tourism ministry have been very supportive,' says Lim. 'For us, there's no looking back, with all the massive work we've put in.'

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