

Poised for success

Plans have been executed and the foundation is set. Medini, a new township in Iskandar Malaysia, is ready for the next chapter in its evolution as a central business district.

MEDINI
ISKANDAR MALAYSIA



MEDINI Poised for success



FOREWORD

Culmination of a vision

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WHY MEDINI?

Malaysia's property market has been slowing down since 2013. Sentiment and demand have been affected by a number of factors, including measures adopted by banks and the authorities to stem soaring asset prices as well as excessive leverage among homebuyers, the implementation of the Goods and Services Tax (GST) in April 2015, and the country's lacklustre economic growth.

As a result, property development in Iskandar Malaysia has faced challenges and headwinds in recent years. Sceptics say the region is no longer relevant and there is little chance of it achieving its aspiration of becoming a strong and sustainable metropolis of international standing by 2025.

But the facts and figures say otherwise. According to Datuk Ismail Ibrahim, CEO of the Iskandar Regional Development Authority (IRDA), progress is on track with Iskandar Malaysia starting the third phase of development early this year under its 20-year Comprehensive Development Plan launched in 2006.

Much like Iskandar Investment Bhd, IRDA has been tasked with promoting Iskandar Malaysia. More recently, the agency has focused on re-energising the economic corridor as it moves to become the place of choice for investors, residents and corporations.

"To date, we have achieved 53% of the RM383 billion target of cumulative committed investments for the duration between 2016 and 2025. This means that we have nine years to secure the remaining amount," says Ismail.

"Cumulative investment for Iskandar Malaysia from 2006 to June 30, 2016 was RM207.99 billion. Of this amount, 51% or RM106.43 billion represents investments that have been realised. These are projects on the ground that you can touch and see. Our investors, the ones that we target, believe in the long-term potential of Iskandar Malaysia."

Although property development is not a core sector promoted in Iskandar Malaysia, its growth has been driven by demand. A growing population underpins this trend, says Ismail. Iskandar Malaysia promotes

nine sectors: electrical and electronics, petrochemical and oil and gas, food and agro processing, healthcare, education, tourism, logistics, business services and creative industries.

Iskandar Malaysia is expected to be home to three million people, its ideal population, in nine years. By the end of last year, it had a population of 1.8 million.

One of the key townships in Iskandar Malaysia is Medini, the only greenfield development in the region. Located in Iskandar Puteri (formerly known as Nusajaya), Medini is slated to be a key focus area of Iskandar Malaysia.

There is no denying that Medini has laid the foundation for a liveable and sustainable township based on its comprehensive people-centric modern design. "Medini illustrates what can be achieved when the public and private sectors work together," says Ismail.

"It is the culmination of a vision shared by the federal government, the Johor government and their strategic private-sector partners. This township is ready with state-of-the-art infrastructure, including an integrated road network that can serve even the most discerning global investor. This gives Medini the competitive edge in becoming an attractive destination for foreign investors."

Medini Iskandar Malaysia Sdn Bhd (MIM) can be credited for developing the township in line with Iskandar Malaysia's vision of becoming an internationally recognised metropolis. This special report looks at the role played by MIM and the different parties that make up the master developer. The stories in the following pages provide an insight into Medini's property players and why they believe that this township, along with Iskandar Malaysia, will be able to face the current slowdown in the property market and achieve its aspirations.

By the end of the year, Iskandar Malaysia will be a decade old. Whether it transforms into a leading regional economic hub filled with opportunities in the next 10 years largely depends on the vibrancy and success of its key components, that is, townships such as Medini. — By Elaine Boey

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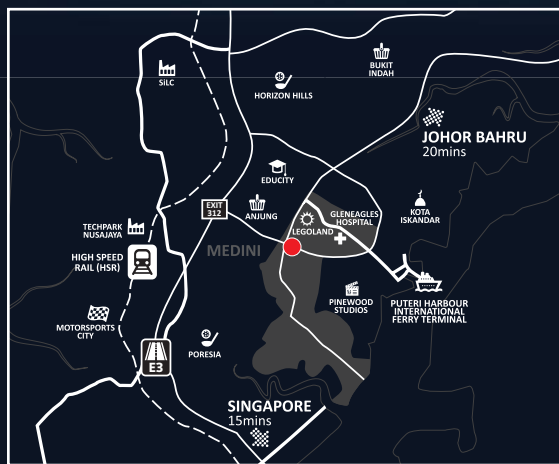
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Building an inclusive city

Medini poised to be an attractive regional economic hub

Medini Iskandar Malaysia Sdn Bhd (MIM) is an unusual property developer in that it does more than just bricks and mortar. Although it does construct buildings, the company is mainly concerned with overseeing and managing the development of Medini. It also promotes the township as an investment destination.

Unlike private property developers that focus solely on their interests, MIM looks to build developments that complement the real estate assets built by others. Managing director and CEO Datuk Khairil Anwar Ahmad says it has adopted this approach to enhance the value and stability of Medini.

"We are the master planner and master developer of Medini. Our job scope keeps evolving as it transforms from an urban space made up of distinct real estate projects built by property developers into an integrated smart township," says Khairil.

"As a property developer, MIM focuses on offices and commercial units. We do not want to compete with private developers that are building residential units in this township. This way, we get to complement their project and create an all-inclusive township for residents, business owners and visitors."

"Local authorities such as Iskandar Regional Development Authority and Majlis Perbandaran Johor Bahru Tengah have been very supportive of our developments."

"These symbiotic relationships play an integral part in the ongoing development of Medini."

MIM has also taken on the role of placemaker. It is proud of its people-centric approach used in the planning, design and management of Medini's public spaces. Done successfully, the township will be a lively place with space for people to unwind, relax and socialise.

"Placemaking is essentially about creating spaces that invite greater interaction between people. This is an integral part of Medini and an ongoing activity for us in our role as master planner of the township," says Khairil.

"Ultimately, the aim is to foster a healthier, more social and more economically viable community. Once the community starts to connect, a strong community spirit can be cultivated."

Medini is also designed to cater for the growing trend of wellness and preventive care. Khairil says the township aspires to be a place that allows residents and visitors to embrace well-being as a way of living.

The community in Medini will enjoy smart city technological solutions. As a people-centric township, it is looking at technology to deliver city services, reduce energy consumption and address challenges faced by residents, such as traffic congestion. To create a smart and sustainable township, MIM identifies, practices and encourages smart, sustainable initiatives.

"We want to create a modern urban township where people can experience smart solutions or smart elements in all aspects of their lives — where they live, work and play. For example, Medini must be a low-carbon society in line with Iskandar Malaysia's Low Carbon Society Blueprint 2025. We have taken measures to ensure that the township is supported by efficient and robust infrastructure, a high quality security system and other high-tech city management solutions," says Khairil.

"As the master developer, we incorporate smart qualities into our developments. We also encourage the use of smart technology among our partner developers, which are building mainly residential properties in Medini. A smart township allows our residents, investors, business operators and visitors to experience Medini in a unique manner. Smart initiatives are being implemented in phases and will eventually translate into smart buildings, an integrated operations centre, a Medini community portal and smart mobility."

While development in Medini started in 2007, the township is considered relatively young with many of the buildings still under construction. A number of private developers, which launched residential units a few years ago, will be handing over the keys to their projects in 2017 and 2018.

There are four integrated commercial cluster developments in MIM's real estate portfolio: The Pulse, a premier commercial development; The Compass, a luxury commercial development; The Crescent, a lifestyle retail and business park; and The Park, a residential and boutique commercial cluster. The Pulse was MIM's first project and comprises Medini



6, Medini 7, Medini 9 and Medini 10.

"We are progressing as planned and working on two office blocks in The Pulse. MIM has already completed Medini 6 and Medini 7. Our developments are in prime areas and consist of office and commercial units. Our tenants are multinational corporations, such as Frost & Sullivan Malaysia Sdn Bhd in Medini 7 and information and communications technology (ICT) solutions provider Huawei Technologies (Malaysia) Sdn Bhd in Medini 6," says Khairil.

He adds that the township has applied for MSC Cybercentre status. This recognition is given to locations that nurture and support the growth of ICT and ICT-enabled industries while extending its benefits to the wider community.

Local companies in Medini 6 include i2M Ventures Sdn Bhd and Telekom Malaysia Bhd. The rental rates there and Medini 7 are about RM4.50 per sq ft (psf). Meanwhile, Medini 9, a 21-storey building, and Medini 10, a 27-storey building, is on schedule for completion by 2018. Rents are expected to be RM5.50 to RM6.50 psf.

"Our commercial properties have been able to command good rental rates even though the property market is quite soft. This could be due to our location, which is quite strategic, and the other benefits and incentives offered to investors," says Khairil.

"The take-up rate in Medini is stable and we have received a lot of interest for Medini 9 and Medini 10. Our marketing team is constantly engaged with potential investors and aggregators. It is a good time to invest in the township as foreign investors can take advantage of a weaker ringgit."

Medini's investor-friendly policies allow foreigners to acquire homes without price restriction. They are also exempt from the Real Property Gains Tax.

Besides playing the role of master developer and master planner, MIM provides township management services such as ICT and infrastructure management services. "We signed a joint-venture agreement with Intelsec Sdn Bhd, a subsidiary of Telekom, in November 2015 to provide ICT-related services. Another joint-venture agreement was signed with UEM Sunrise Edgenta Bhd in January to provide facility, estate, building and security management services," says Khairil.

Medini's value proposition

Medini is on track to becoming an integrated smart and sustainable township with distinctive buildings and inviting public spaces. It spans 2,230 acres in Iskandar Puteri (formerly known as Nusajaya) and has a maximum gross floor area of 182 million sq ft.

Medini benefits from being a former greenfield site. The master developer, Medini Iskandar Malaysia Sdn Bhd (MIM), was able to plan the entire infrastructure and services needed for an orderly, all-inclusive and efficient township.

MIM's comprehensive design, aimed at creating a lively and sustainable community, includes infrastructure, commercial, residential, green lung, community and mixed-use areas.

Key sectors that have been identified to underpin and catalyse Medini's economic development are:

- Education, which includes universities, colleges, institutions and regional training centres;
- Tourism and leisure, which consist of theme parks, amusement and family entertainment centres, conferences and exhibitions as well as hotel and leisure services;
- Creative industries, including design services, creative talent management services, film and television, games and animation, online and mobile content as well as visual and performing arts;
- Financial advisory, such as financial services, business process outsourcing, corporate consultancy and advisory services;
- Healthcare and wellness, which includes hospitals and alternative medicine providers, integrated dental and orthodontic services, healthcare rest and relax facilities and integrated lab services; and
- Logistics, such as integrated supply chain services and high-value supply chain services and solutions.

Medini is positioned as the central business district of Iskandar Puteri as well as a regional economic hub in the future.

MIM managing director and CEO Datuk Khairil Anwar Ahmad says talent is a pivotal aspect for any investor in a central business district. "Medini benefits from a diverse pool of educated and skilled talent. We are also looking at attracting more skilled talent. Fortunately, Medini can access a ready pool of graduates from world-class universities and institutions of higher learning in EduCity — a fully integrated educational hub with world-renowned universities in Iskandar Puteri," he says.

EduCity is home to renowned universities such as Newcastle University Medicine Malaysia, University of Reading Malaysia, Multimedia University, Netherlands Maritime Institute of Technology, University of Southampton and soon, the Management Development Institute of Singapore (MDIS).

Various events have been introduced in recent years to build interest in Medini and breathe life into the township. Medini Live! is an annual music, arts, film and community event that started last year. It provides insights into Malaysia's artistic and cultural heritage.

The inaugural Sunway Iskandar Viper Challenge saw about 7,000 participants take on Asia's biggest obstacle course. Other outdoor activities include a bike and run trail and adopt-a-park and tree-planting activities organised by MIM. Together with Johor Rugby Union, the master developer of Medini also organised and sponsored the Medini 7s Annual Rugby Tournament for schools.

“We want to create a modern urban township where people can experience smart solutions or smart elements in all aspects of their lives — where they live, work and play.”
> Khairil

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Unlocking potential through a smart and sustainable township

United World Infrastructure principal Dr Imran Markar talks about Medini's identity, competitive advantage and values

Global infrastructure investment and development firm United World Infrastructure (UWI) has been an integral part of Medini's development. By collaborating with the other shareholders of Medini Iskandar Malaysia Sdn Bhd (MIM) — the master developer of this township — Dubai-based UWI has actively participated in the many aspects needed to build a world-class township with commercial and residential precincts.

This includes the development of Medini's master plan, construction of its infrastructure network, creation of its policy framework aimed at spurring businesses and investments, and attracting anchor developments to selected industries. The firm also provides city management services and smart city services such as facilities management, utility management services, ICT and telecommunications services, smart card series, estate management, waste collection and disposal, and parks and greenery management.

UWI has a 20% stake in MIM, whose other shareholders include Khazanah Nasional Bhd and foreign companies.

"We invest in the acquisition, development and management of real estate and infrastructure assets around the world to stimulate economic growth, technology transfer and foreign investment. For each project, we consider a region's unique characteristics, its people and surroundings to design and execute a master plan that addresses specific social, economic and environmental concerns. We also invite relevant development catalysts to the new urban development such as schools, theme parks and hospitals," says Dr Imran Markar, a principal at UWI. He leads the firm's strategic relationships with institutional investors, government-linked agencies and financial institutions around the world.

"Our urban developments include our signature real estate and infrastructure asset — the economic cluster. Economic clusters are self-sustaining developments with a 24-hour lifecycle, including live, work and play spaces. Each cluster is integrated into the economic network of the region and acts as a catalyst for economic growth, social development and environmental conservation. Our aim is to make cities liveable," he adds.

Here, Markar talks about UWI's decision to invest in Medini and the role it plays in this township.

The Edge: What compelled UWI to invest in Medini?

Dr Imran Markar: The Malaysian government, through its investment arm Khazanah Nasional Bhd, approached us in 2005 to collaborate on the delivery of Medini. The vision was to build a connected central business district for Iskandar Puteri (formerly known as Nusajaya) that offers a high quality of life for residents. Over time, Medini is expected to be one of Asia's premier business destinations.

UWI has its own signature economic cluster model aimed at accelerating urban development. This model is based on our extensive experience in different real estate and infrastructure projects in Dubai. When we started working on Medini, we looked to develop a city that incorporates systematic and sustainable elements that would complement the broader socioeconomic concerns of this region.

UWI has been investing in Medini for the past 10 years. Why did we make this decision? First, there is a wide range of economic and strategic benefits that comes with an investment in Iskandar Malaysia. This economic region is earmarked for growth and Medini is based on a globally competitive regulatory framework.

Another compelling reason is the integrity and quality of Khazanah, our co-investment partner. It is truly committed to developing Iskandar and our public-private partnership really is a partnership in every sense of the word. Besides Khazanah, we have worked with other government-linked companies and regulatory authorities to build Medini, and this

experience has been truly rewarding.

Medini gives us an opportunity to participate in the socioeconomic advancement of its residents. Also, I have personal connections with this region and the project continues to inspire me. In the grand scheme of things, Medini will eventually economically advance Malaysia and Southeast Asia.

Besides Khazanah, who else did UWI work with to develop Medini?

In the past 10 years, we have partnered public sector entities as well as premier global investment agencies such as Japan-based Mitsui & Co, Abu Dhabi's Mubadala Development Company, Kuwait Finance House and Singapore's Temasek Holdings.

Most of them are long-term investors in Medini. This is testimony to the belief that we have in this township. It also speaks of the trust that all of us have in Khazanah.

What role did UWI play in the development of Medini?

UWI was the first shareholder in the public-private partnerships that were established to develop Medini. We committed in-house technical expertise and financial resources. Collectively, we developed the concept and master plan for this township, which includes six economic clusters: healthcare, finance, education, leisure and tourism, the creative industry and trade and logistics.

We identified initial developments that would act as catalysts in attracting regional and foreign investors. We also directed the rollout of infrastructure projects and ensured that installation was completed on time and within budget. Finally, we developed a framework for city management services aimed at enhancing liveability of this township. This ensures that residents and visitors experience a sustainable city and a high quality of life in Medini.

More recently, we started investing in themed strategic commercial developments. These real estate assets should establish Medini as the central business district of Iskandar Puteri.

What does sustainability mean to you?

Our decision to invest in Medini is based on a framework of sustainability. At UWI, sustainability refers to environmental, social and economic considerations. These are important factors for residents and users and for the township's long-term viability.

Let me elaborate on sustainability features. These include but are not limited to high-quality green spaces in a dense urban setting, public parks, playgrounds and a pedestrian-friendly environment that encourages walking by reducing the need for transport. This lowers the township's carbon footprint.

UWI also champions smart connected infrastructure and we are very excited about the smart city features in Medini. [Smart cities provide efficient, reliable and sustainable energy through solutions such as smart grids, smart metering, renewable energy sources and energy storage. Systems are also used to analyse energy consumption, monitor demand and supply and to assess future energy requirements.] The idea is to enhance the quality of life by delivering smart solutions to those who live, work and visit Medini.

Smart solutions in Medini include smart transport (electric vehicles), a community portal, an integrated operating centre and smart buildings.

Besides smart city technology and solutions, we also looked at incorporating road safety features, implementing initiatives to protect the mangroves and the natural environment as well as ways to generate employment opportunities and the establishment of private and public schools.

Finally, we believe that cultural activities must be encouraged and nourished for a city to be sustainable. With all this in place, Medini will serve as a magnet for investment and business within the region.



Our infrastructure investment in Medini and the rise of this city took place during a challenging economic period. Despite the turmoil in the market and all the other challenges, all the investors of this township worked together and managed to deliver outstanding projects on time and within budget.

> **Imran**



MEDINI Poised for success



Mitsui on creating a next-generation city

In 2013, Mitsui & Co Ltd (Mitsui) acquired a 20% stake in Medini Iskandar Malaysia Sdn Bhd (MIM), the master developer of the Medini township. This strategic undertaking enabled the Japanese conglomerate to expand its infrastructure project and township management business in Asia as well as establish a presence in Malaysia. Tokyo-listed Mitsui also owns a 20% stake in Asia's largest hospital group, IHH Healthcare Bhd, which it acquired in 2011.

Mitsui is one of Japan's largest trading and investing companies, with a presence in more than 138 countries, including Russia, Mexico and Brazil.

It focuses on six business areas: energy, metals, chemicals, machinery and infrastructure, lifestyle, and information and corporate development.

Developing Medini into a smart and comfortable city is in line with Mitsui's objective of contributing to a better, more sustainable future. "We are pursuing new models in the realm of smart city development. The objective is a sustainable and low-carbon society. This is a key strategy espoused by Mitsui's plan of developing new businesses that enhance environmental sustainability in one of our key sectors — real estate in Asia," says Mitsui director Kazumasa Nakai.

As one of the three shareholders of MIM, Mitsui is involved in the formulation of Medini's master development plan, construction work and outsourcing. Much like UWI, which also has a 20% stake in MIM, Mitsui has a long-term view of its investment in Iskandar Malaysia.

"Our investment in MIM is regarded as a 'business innovation project'. These are Mitsui's endeavours aimed at creating business for the next generation. These could be projects that are unpredictable and uncertain, but deemed to generate profit in the long term. Our investment in MIM involves extensive urban development slated for the next 20 years. Medini is an innovative venture and will embody the idea of a next-generation city," says Kazumasa.

Here, he talks about Mitsui's involvement in Medini.

The Edge: Why did Mitsui invest in Medini?

Kazumasa Nakai: We decided to invest in Medini for several reasons. It is a greenfield development and still in its infancy. Nevertheless, it is a very attractive investment for us because of its huge potential in the medium to long term.

The decision to invest was driven by several factors. First, Medini's geographical location is attractive as Malaysia and Singapore are rapidly growing and prosperous nations in Asia. Mitsui's decision is also in line with MIM's vision of creating a sustainable lifestyle and a low-carbon township. Finally, the Malaysian government offered several attractive incentives to encourage foreign investment.

Being part of MIM allows us to establish our presence and our brand in the development of future generation cities. Medini allows us to utilise our smart city development philosophy. This township is creating a showcase, a new business model for smart city development in Asia.

What role does Mitsui play in the development of Medini?

We contribute towards the realisation of a sustainable society that is safe, secure and liveable for residents. This is our definition of a smart city. Mitsui plays a part in planning and in providing MIM with smart tech solutions and knowhow in township management. There are plans in the pipeline to further develop Medini as a smart city and we are looking at participating in different business areas.

How does Medini fit in Mitsui's portfolio of investment?

Mitsui has a medium-term business plan where we focus on the development of new-generation economies, including enhanced and sophisticated city development. Medini allows us to utilise our comprehensive business engineering capabilities as well as our strength in ICT, transport and energy acquired from our experience in many other projects.

What is your long-term view of Medini?

We strongly believe that Medini will prosper in the long term. This is largely because the Malaysian and Singaporean governments support its development in various ways. We also think Medini will drive the Malaysian economy and become an ideal city that offers economic growth and a comfortable life for its residents.



What are you looking at doing next for Medini/ Iskandar Malaysia?

We have completed the infrastructure for Medini. At this juncture, we are looking at investing in other strategic developments in Iskandar. We will continue to provide city management services as described above for Medini.

Will a business district thrive in Medini? Why do you think so?

Multinational companies and world-class developers are already invested in this township. They have generated jobs there and fostered the transfer of expertise and technology to its talent.

Medini is already home to what is known as catalyst investors. For example, Gleneagles Hospitals, a renowned healthcare network, is there and its presence has facilitated the development of facilities such as Avira, a wellness resort with residential units, and Afiniti, a wellness and lifestyle development with residential units and a wellness-themed retail centre.

Government support is crucial to attract investors and much is in place in Medini. For example, Iskandar Regional Development Authority's (IRDA) one-stop-shop minimises the steps required for new businesses to set up in Medini. IRDA has established a single access point for investors to obtain licences, permits and approvals from various government agencies. In just a few years, Medini has attracted more than 30 companies from different regions.

What are your aspirations for Medini?

We have a clear focus for Medini. In this decade, we hope that this township will serve as the central business

district of Iskandar Puteri, as a model for how smart cities can benefit residents and as a premier destination that integrates city living with the well-being of its community.

How does Medini complement your portfolio of investments?

Our experience in Medini allows us to add city management services to our portfolio. What we have learnt is that many of the solutions required by the residents of Medini are also applicable to those living in the urban areas of Sao Paulo, Dubai or Mumbai. Every township and city wants a smart, clean, safe environment for its community as well as affordable services.

UWI has investments around the world. How does Medini compare with the other regional investment destinations?

Our infrastructure investment in Medini and the rise of this city took place during a challenging economic period. Despite the turmoil in the market and all the other challenges, all the investors of this township worked together and managed to deliver outstanding projects on time and within budget.

As an investment destination, Medini is attractive for many reasons. It is strategically located and offers access to many countries. Its business environment is based on an attractive regulatory framework.

We think that the most compelling factor of Medini would be the quality and capacity of its residents — its talent pool. As the multicultural environment of this township expands, it will make Medini liveable and enjoyable while the entrepreneurial drive among its residents will sustain its economic prosperity.

MEDINI Poised for success

Delivering on Medini's vision

Developers with vision and tenacity to invest in an unproven concept share their experiences

There is no denying that developing raw or undeveloped land is vastly different from transforming an established suburb. The land development cost can be difficult to estimate and the real estate itself is an illiquid investment as it does not generate an income for many years. Furthermore, the returns, which can be many times the cost of investment, are not guaranteed and subject to market conditions and sentiment.

So, why would a developer invest in a greenfield development such as Medini? "Medini is a flagship development poised to be a new urban township in Iskandar Malaysia. Venturing into this township (back in 2009) offered us a platform for larger exposure in Iskandar," says WCT Holdings Bhd managing director Taing Kim Hwa.

"It also provides WCT Group with the opportunity to develop residential projects for an international market. Such developments complement Iskandar's efforts in attracting top talent to the region. Essentially, it was the strong support of Khazanah Nasional Bhd and the federal government that compelled our decision."

Khazanah's leadership, credibility and integrity were clearly compelling factors, attracting both local developers and foreign parties to invest in Medini. United World Infrastructure (UWI) and Mitsui & Co Ltd, based in Dubai and Japan respectively, say Khazanah's involvement in the township was the driving factor behind their decision to take up a stake in Medini Iskandar Malaysia Sdn Bhd (MIM), the master developer of the township. Jasmine Acres Sdn Bhd — a joint venture between Khazanah and Iskandar Investment Bhd — owns 60% of MIM while Mitsui and UWI have a 20% stake each.

CI Medini Sdn Bhd (previously known as Sunsuria Medini Sdn Bhd) is a joint venture between Japan-based real estate investment company Creed Group and Sunsuria Bhd. It also says Khazanah's role in developing Medini influenced its decision to invest in and build commercial real estate in this township.

CI Medini managing director Takeshi Matsukata says the support shown by the Malaysian and Singaporean governments makes Medini an ideal place for developers. "Malaysia and Singapore's governments [the latter via Temasek Holdings] are leading the key property projects in this township. Their involvement says a lot about the support given to Medini and is a compelling reason for local and foreign developers to invest in Malaysia."

Benjamin Ong, Eastern & Oriental Bhd's (E&O) general manager of operations for Johor Baru, points out that Medini's value proposition to property developers includes having MIM as its master developer. "Unlike other parts of Iskandar, Medini has a master developer responsible for planning and making the overall township a success. The presence of a master developer clearly offers corollary benefits to developers with projects within Medini," he says.

"Its role and what it does are over and above the comprehensive network of infrastructure put in place by the government. Medini is earmarked to be an economic corridor and a growth driver for the country. This means connectivity and accessibility are the key. Clearly, this will benefit residents as the township connects to major highways. It is only a seven-minute drive to the Second Link Expressway that connects Johor to Singapore."

He adds that MIM's long-term vision is aligned with E&O's strategic plans to develop in areas beyond the Klang Valley and Penang, where the company has established a reputation for building premier properties. In 2013, E&O partnered the wholly-owned subsidiaries of Khazanah and Temasek to develop a 207-acre wellness-themed development in Medini known as Avira Medini Iskandar.

Ong says the wellness concept is a new and growing lifestyle trend as people become increasingly aware of the importance of their well-being. "All these factors make Medini an attractive investment, as well as residential, destination," he adds.

FORESIGHT, KNOWLEDGE AND TENACITY

WCT was among the first to invest in Medini when the idea of building a township of international standards in Johor Baru was still an unproven concept. "Medini's value proposition is very much catered for visionary investors as well as visionary residents. They will ben-

efit from being first movers in this new township," says Taing.

WCT was initially engaged by MIM to do civil infrastructure work on the 2,300 acres that constituted Medini in 2008. That was also the year its subsidiary, WCT Land Sdn Bhd, broke ground on its maiden development.

Now, WCT has three developments in Medini: 1Medini condominiums, 1Medini Garden Villas and Medini Signature Tower 1 & 2. Known as the 1Medini Hub, these developments are fully integrated and located in the central business district. They comprise retail, office and residential components and are in the vicinity of Legoland Malaysia Resorts, the country's first international theme park; Afinity Medini, a project developed by Khazanah and Temasek; and Gleneagles Medini Hospital.

While the subdued sentiment in the property market has persisted for several years and some quarters are still questioning Iskandar's value proposition, the developers say there is a prevailing sense of optimism over Medini's long-term prospects and that a change in sentiment can be expected in due course.

The euphoria over the encouraging take-up of several projects in Iskandar in 2011 and 2012 has moderated as a result of the government's cooling measures, increased competition and tighter financing conditions. And it is now business as usual.

The key developers of Medini remain committed to the long-term vision of the township and expect demand to pick up once the overall property market recovers. Several factors underpin their view: First, property in Malaysia is generally more affordable than in regional markets. Also, the country is known for its high levels of liveability. Finally, foreign investors have the opportunity to acquire choice units in developments of international standards.

James Bruyns, Mah Sing Group Bhd's chief sales officer for C-Suites, says the region is still a favoured property destination for local and foreign investors. "Singaporeans still find Medini appealing. Property in this township is very close to the city state and offers great value for money."

"The Malaysian government also encourages foreign buyers with many incentives. This includes an exemption from the minimum property purchase threshold of a million ringgit for foreign purchasers." Property transactions in Medini are also exempted from the Real Property Gains Tax.



Artist's impression of Meridin@Medini

Mah Sing's The Meridin@Medini is an integrated commercial development with a gross development value of RM1.5 billion. Spanning 8.19 acres, this development consists of Meridin Suites Residences, which comprise three residential towers; Meridin SOVO; and Meridin Suites, which consist of two blocks of serviced suites.

Mah Sing procured the use of the Ramada hotel brand from the world's largest hotel company, Wyndham Hotels Group. Ramada Meridin and Ramada Encore Meridin will be managed by leading hotel management company Topotels. Both Ramada hotel-serviced suites are scheduled to open in two years.

"Medini is already the main destination for business, healthcare, education, industrial and tourism within Iskandar. The plans for the rapid transit system (RTS) and high-speed rail (HSR) are taking shape. I expect Medini and the entire Iskandar region will become one of the most prosperous economic zones in Malaysia. Based on the current trajectory, Medini will be the central business district of Iskandar," says Bruyns.

WCT, E&O, Mah Sing Group and other developers with an optimistic long-term outlook for the township, coupled with the tenacity to face challenging economic conditions, are planning to continue investing here.

"We have continuously promoted Medini as a destination for the public and private sectors and expect

“Singaporeans still find Medini appealing. Property in this township is very close to the city state and offers great value for money.”

> **Bruyns**

“Medini's value proposition is very much catered for visionary investors as well as visionary residents. They will benefit from being first movers in this new township.”

> **Taing**



MEDINI Poised for success



to see more multinational companies setting up a base here. This will generate middle and high-income job opportunities for the residents of Medini and those living in Johor," says Taing.

"We envision Medini to be a much sought-after residential and commercial location as people flock here for work, higher education and high quality healthcare services. In line with this outlook, WCT is planning to launch a commercial development in Medini to meet the need for offices and retail outlets."

Meanwhile, E&O's Ong says the second phase of Avira will be marketed to investors in the region. "The first phase of Avira Garden Terraces (208 units) was very well received, with a 90% take-up rate. The buyers were mostly Singaporean and they remain our anchor market because of their proximity to Iskandar, their affinity for Malaysian culture and the relative affordability of this country's real estate assets."

"Phase 1 has already been handed over to the owners. Now, we are looking at marketing Phase 2 in other countries in the region. We are already seeing a steady stream of registrants for our units."

A LIVEABLE TOWN

The liveability of a city or town is an increasingly important factor for global citizens. Some say liveability is even more important than a city's economic power or global influence as it takes into account the severity of challenges there that can affect its residents' lifestyles.

MIM took into account the factors that affect liveability when it was planning the township. As a result, infrastructure, environment preservation, healthcare and education facilities have been made available in Medini. Developers say

these factors will continue to drive the demand for properties here and provide the foundation for a strong community spirit among the residents.

"The residents of Medini enjoy excellent township planning. The infrastructure allows them to enjoy the best of Johor and Singapore since it is only a short drive to Singapore, a 20-minute drive to Johor Baru city centre and a 30-minute drive to Senai International Airport. Residents also have access to world-class amenities such as EduCity@Iskandar — an education hub — theme parks, malls and hospitals," says Taing.

Gleneagles Medini Hospital and the Mall of Medini — a leisure and lifestyle entertainment centre built by UEM Sunrise Bhd and Iskandar Harta Holdings Sdn Bhd, a wholly-owned subsidiary of Iskandar Investment Behd — is within walking distance of WCT's Medini Signature Towers. Marlborough College and Raffles American School is only 2km away.

Like Bruyns, Taing thinks the HSR and the RTS will enhance Medini's appeal as an investment and commercial destination. "The proposed RTS will link Johor Baru with Singapore in 2018. This will definitely improve connectivity for those who commute between the two cities," he says.

"Mah Sing is also poised to benefit once this rail system is operational in 2026 as Meridin@Medini is one of the six intermediate stations in Iskandar Puteri (formerly known as Nusajaya)," says Bruyns. Meridin@Medini is also in the proximity of a number of international schools and universities that make up EduCity@Iskandar, such as Marlborough College, Newcastle University Medicine Malaysia, Trust School and the University of Southampton.

Bruyns says liveability in Medini is enhanced with green spaces. "The township has a green lung with 210 acres of parks and open spaces. Sustainable developments and a green environment benefit residents and the environment as well as adds to the beauty of this township."

Avira's theme of living in the heart of wellness centres on good living conditions. This development looks to create a holistic, thriving environment for the community. "We are infusing elements that result in a sustainable and holistic living environment for Avira's residents," says Ong.

"One way that we intend to connect the community to nature is by building a 1.6km boardwalk on the perimeter of Avira. This will allow residents to walk to the mangrove forest that fringes the development. Other examples include landscaping that follows the natural contours of the land and the natural flow of waterscapes as well as homes that feature special communal linear gardens that are turfed and landscaped."

When completed, the Avira development will be surrounded by greenery and interconnected by tree-lined paved walkways. "Over five acres are dedicated to a purpose-built wellness sanctuary — a key element in bringing the wellness concept to life," says Ong.

The wellness sanctuary will offer fitness facilities such as pools and multipurpose spaces for group exercise classes. "We hope residents will enjoy the freedom of being outdoors. They can cycle and jog on specially built tracks that are shaded. There will also be pavilions, R&R shelters and barbeque pits around the facility to encourage the community to gather and socialise," he says.

“Unlike other parts of Iskandar, Medini has a master developer responsible for planning and making the overall township a success.”

> Ong



Top right: Rendering of the Wellness Sanctuary at Avira

Above: WCT's 38m infinity-edge lap pool in Medini

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Why Medini?

Leading companies talk about the benefits of setting up shop in the township

Medini is slowly taking shape with the number of world-class companies setting up a base there. The pioneers include global research and consultancy firm Frost & Sullivan Malaysia Sdn Bhd; Parkway Pantai Ltd, a subsidiary of premium healthcare provider IHH Healthcare Bhd that established a hospital under the Gleneagles brand in Medini; and international serviced residences owner-operator The Ascott Ltd. These leading industry players say they chose to invest in Medini because of its strategic location, potential business opportunities, good connectivity, accessibility and infrastructure, and high quality of life that their employees and customers can enjoy in this township.

Frost & Sullivan Malaysia set up its second innovation centre there in 2012. The centre supports the research consultancy's operations around the world and gives its employees the opportunity to work on global projects. Its first regional research centre was established in Kuala Lumpur in 2004.

"We had plans to open another global innovation centre to support our business. After a few sessions with various local government agencies, we decided to build our centre in Iskandar Malaysia and we picked Medini," says Hazmi Yusof, managing director of Frost & Sullivan Malaysia.

The connectivity between Medini and Singapore was the main reason it decided to set up the centre in the township, he adds. "It is easy to access Singapore from Medini and vice versa. Another compelling reason is the way Medini was put together. It is designed for corporates to go beyond Malaysia and serve Asia. In other words, by being located in Medini, we have good access to international markets.

"We are in Medini for the long term. It is akin to Singapore because it gives us a platform to serve Asia-Pacific. Our global innovation centre in Medini is playing an increasingly important role in our operations and will become one of our key centres in the near future."

Singapore-based serviced residences owner-operator The Ascott also saw Medini as a platform for targeting and serving the international market. Khairil Hafez Harith Yahya, residence manager of Somerset Medini Iskandar Puteri, says its development in Medini is within walking distance of Legoland Malaysia and Gleneagles Hospital Medini.

"Our target market are vacationing families and holidaymakers. We are also looking at serving the medical tourism sector and see a number of guests coming from Malaysia, Singapore, Indonesia, India, China and the Middle East.

"Somerset Medini Iskandar Puteri is also close to EduCity, Kota Iskandar, Pinewood Iskandar Malaysia Studios and Puteri Harbour. So, we can target the expatriates attached to these compa-

nies who are staying here for longer durations."

He says Somerset Medini Iskandar Puteri combines a contemporary style with the comforts of home to create a "home away from home" experience for its guests. The serviced residences comprise 310 exclusive apartments in a 33-storey building.

Guests have a choice of studio, one-bedroom, two-bedroom or three-bedroom apartments. Each unit comes with a fully equipped kitchen; a living, work and sleeping area; en-suite bathrooms and other amenities.

"We are the first international serviced residence operator in Iskandar. Our development enhances our position as the largest international owner-operator of serviced residences in Malaysia," says Khairil.

OPPORTUNITIES TO BUILD AND GROW

The healthcare sector, one of the country's national key economic areas (NKEAs), is supported and promoted in

“Gleneagles Medini Hospital will have the same breadth and depth of expertise and facilities as its sister hospitals in Kuala Lumpur, Penang and Singapore

> Ahmad

“It is easy to access Singapore from Medini and vice versa. Another compelling reason is the way Medini was put together. It is designed for corporates to go beyond Malaysia and serve Asia. In other words, by being located in Medini, we have good access to international markets.

> Hazmi

“We are the first international serviced residence operator in Iskandar. Our development enhances our position as the largest international owner-operator of serviced residences in Malaysia,

> Khairil



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From left: Gleneagles Medini Hospital; Frost & Sullivan Malaysia's global innovation centre; Somerset Medini Iskandar Puteri creates a 'home away from home' experience for its guest



CI Medini fulfils a different need

CI Medini Sdn Bhd is one of the many developers in Iskandar Malaysia, but it stands apart from the crowd with its focus on commercial properties and affordable homes.

"We were the first developer to build a development in Medini's zone C. There were already a lot of developers in zones A and B," says its managing director Takeshi Matsukata.

CI Medini (formerly known as Sunsuria Medini Sdn Bhd) is a partnership between Japan-based real estate developer Creed Group Ltd and Sunsuria Bhd, inked in 2014. Creed has invested outside Japan since 2005 and has projects in Cambodia, Vietnam, Myanmar and Bangladesh.

CI Medini's commercial properties are known as The IONS. ION1 (104 units), ION2 (106 units), ION3 (32 units) and ION4 (75 units) consist of both retail shops and offices. This development is strategically located about three minutes' drive from the Second Link Expressway, theme parks, the Mall of Medini and Educity.

"We are the first developer to build shophots in Medini and have constructed low-density two-storey and three-storey shophots. Three phases have been completed and we have handed the keys over to the buyers. We expect to hand the keys of the units in the last phase in September next year," says Matsukata.

Most of the buyers of CI Medini's properties are Malaysian while about 10% are foreign investors. According to Matsukata, the company is looking at developing stratified commercial units as they allow the company to target a different market.

"The built-up area in a traditional two-storey or three-storey shophot is about 2,000 to 3,000 sq ft. With stratified properties, we can sell each floor, which is between 1,000 and 1,300 sq ft, to different buyers. So the total investment required for stratified properties is much lower than that for traditional shophots," he says, adding that the developer plans to gauge the demand for such units before embarking on a full-scale launch of its next project.

Residential properties are also in its pipeline. The developer plans to develop affordable homes to complement the luxury

developments in Medini.

"When we launch this project will depend on the market. Competition is stiff now and we will wait for a better time. Our plans are to stay away from the luxury market and focus on providing affordable property," says Matsukata.

CI Medini is looking at relocating from Taman Bukit Indah to Medini. The move, says Matsukata, will reflect its support for the township.

"This is a very balanced township, with all the necessary elements to enhance its liveability. This is largely because of the master developer, Medini Iskandar Malaysia Sdn Bhd. It started developing Medini on a clean slate and everything is well planned," he adds.

"People choose to live here because of the environment. There are many parks and I expect to see more enjoying the natural environment once the township takes off.

"Medini is a work in progress. It is not a finished product, but its outlook is very promising. Once the economic environment improves, more changes (developments) will take place. In three to five years, the township will be very different with a thriving and robust community," says Matsukata.

rently has an emergency department, health screening centre, renal dialysis centre, endoscopy centre and dental centre. There are plans to offer more healthcare services such as cardiology, orthopaedics, oncology and ophthalmology in the future.

"In time to come, Gleneagles Medini Hospital will have 300 beds and a medical block of 164 medical suites. It will offer services such as in-vitro fertilisation and wellness. Basically, Gleneagles Medini Hospital will have the same breadth and depth of expertise and facilities as its sister hospitals in Kuala Lumpur, Penang and Singapore," says Ahmad.

It was the theme parks that prompted The Ascott to build serviced residences in Medini. "Malaysia's first international theme park — Legoland Malaysia — sealed our decision to invest and build residences in Medini. This is the first Legoland in Asia and it attracts a large number of visitors every year," says Khairil.

Furthermore, Medini is on its way to becoming the central business district of Iskandar. With its strategic location, the township will be next core of commerce in Malaysia's southern region, says Khairil.

Somerset Medini Iskandar Puteri is a part of Afiniti Medini, which is jointly developed by Khazanah Nasional Bhd and Singapore's Temasek Holdings. Other facilities in the development include the Afiniti Wellness Centre, Afiniti Residensi and CIMB's Leadership Training Centre.

Khairil says Medini is well planned and organised with specially designated zones for residential units, commercial space and recreational areas. This should strengthen the township's appeal as a regional hub in the future, he adds.

"At this stage, it is too early to compare Medini

with other more established international hubs. It is still being developed. It is still in its infancy, but the potential is undeniable. It has already attracted a lot of investors, visitors and tourists from Singapore and other Asean countries. Even more people are expected as the township grows," says Khairil.

"I foresee Medini contributing significantly to Malaysia's economic growth in the future. It is exciting to be a part of this and to witness its development over the next 5 to 10 years."

THE WAR FOR TALENT

There is no denying that the competition for talent is fierce with Medini so close to Singapore. The industry players are addressing this challenge with competitive salaries and benefits as well as active management of the company's image.

"As pioneers in Medini, we initially found it difficult to find and retain talent. It was difficult to attract locals working in Singapore. Furthermore, employees from the Klang Valley or Penang tend to return to their hometown after two or three years with us in Medini," says Frost & Sullivan's Hazmi.

This compelled the research consultancy to switch its approach. It started focusing on recruiting talent from Johor.

"This seemed to be the best approach so far. Work-life balance is a key proposition we can offer prospective employees. They spend less time commuting to work and have the option of engaging in a number of leisure activities in Medini after working hours," says Hazmi.

"We also offer them the opportunity to work on regional and global projects. This is exciting to young talent and it enriches their careers."

Frost & Sullivan employs young talent for its global innovation centre, which provides knowledge and business intelligence to the company's business services operations.

"We are part of the ecosystem that attracts the right human capital to the region. We hire young educated talent and they bring energy and vibrancy to Medini. A number of them have also invested in this township, for example, by buying property," says Hazmi.

Another labour-intensive industry is healthcare and the right skillsets are always in demand. Although being part of IHH Healthcare provides Gleneagles Medini with a steady stream of well-trained healthcare professionals, the hospital has also found it beneficial to leverage its strong employer brand — what existing and potential employees know about the hospital's values, personality and culture.

"To deliver the highest service standards and the best possible clinical outcomes, we need more than the best equipment. We need experienced and qualified doctors, nurses and healthcare workers," says Ahmad.

"The strength of the Gleneagles brand has been instrumental in helping us attract and retain talent. We continue to train and develop our healthcare workers to ensure that they stay at the top of their field and are able to deliver the high standard of service that patients have come to expect from us."



MEDINI
ISKANDAR MALAYSIA



A thriving township located minutes away from the second link that connects to Singapore, Medini is poised to become the new Central Business District (CBD) of Iskandar Puteri, Johor. Home to the first LEGOLAND in Asia, this mixed-use development spread over 2,230 acres of prime land offers a variety of residential and commercial properties that exude exquisite living. With an array of lifestyle products designed by renowned international architects and built by premier property developers, Medini is a unique township in the making. Its infrastructure is fully completed together with various commercial buildings that are now ready to be occupied. This growing smart and sustainable CBD offers various incentives for property developers and industry sectors such as creative, education, health & wellness, logistics, finance, tourism and technology.

Be part of the journey in developing a progressive Medini, the Icon of Future City Living. Discover more about building Medini together. Call **+607 509 8500** or visit **www.medini.com.my**

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