

Infrastructure growth to spur property values

BY **E Jacqui Chan**

In the past few years, the Malaysian government has allocated a substantial sum for the development of infrastructure, particularly in the Klang Valley, Penang and Iskandar Malaysia in Johor. Among the projects are the RM40 billion Greater KL mass rapid transit (MRT), the extension of the existing light rail transit line in the Klang Valley, the Second Bridge project in Penang and infrastructure works in Iskandar Malaysia.

With some of the projects already in progress or about to start, property values in areas that stand to benefit have climbed as buyers foresee the growth potential.

Ho Chin Soon, director of Ho Chin Soon Research Sdn Bhd, says it is common for real estate values to rise in tandem with infrastructure growth.

“The general rule is the better the infrastructure, the better the values. But there are other factors at play such as the respective state development policies and demographic trends

KENNY YAP/THE EDGE



Ho: It is common for real estate values to rise in tandem with infrastructure growth

like migration rates and birth rates,” he says. Ho, who is known as “King of Maps” for his extensive maps of the Klang Valley, notes that the proposed high speed rail from Kuala Lumpur to Johor and the MRT link from Johor to Singapore will bode well for investment in Iskandar Malaysia.

In the Klang Valley, the four new

proposed highways — Damansara-Shah Alam Highway, Serdang-Kinrara-Putrajaya Expressway, Kinrara-Damansara Expressway and Sungai Besi-Ulu Kelang Elevated Expressway — are expected to impact the property values in the surrounding areas.

Penang too will see changes, says Ho, with the development of the Second Bridge and other infrastructure works.

The various infrastructure projects in Iskandar Malaysia are also gradually being completed, with the area undergoing a major construction boom in the past few years.

Ho will be speaking at *The Edge* Investment Forum on Real Estate 2012. The forum, with the theme “Investing in Uncertain Times”, will be held on April 28 at the Sime Darby Convention Centre in Kuala Lumpur.

Ho’s talk is entitled “Infrastructure Growth in Greater KL, Iskandar and Penang: Where to put your money?”. He will present his latest findings on the various infrastructure developments in Greater KL, Iskandar Malaysia and Penang, and their impact on real estate values.