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From left: Tan, IGB Corp chairman Tan Sri Abu Talib Othman, Selia Pantai MD Datuk Mohamed Zaini Amran, Ghani and Kumpulan Prasarana Rakyat Johor Sdn Bhd chief executive officer Johar Salim Yahaya looking at a model of the proposed Southkey Megamall in Johor Baru.

Johor's own Mid Valley City

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KUALA LUMPUR: The proposed Mid Valley City-type mixed development in Johor Baru, via a joint venture between IGB Corp Bhd and Selia Pantai Sdn Bhd, is expected to take four to five years, and has a tentative gross development value of RM6bil.

"Tentatively, the project will have a gross development cost of RM2bil to RM3bil. It took us 15 years to get Mid Valley City to what it is today. Hopefully, it will take us only half that time with the Johor project," said IGB Corp group managing director Robert Tan.

IGB Corp, the developer of Mid Valley City in Kuala Lumpur, has entered into a conditional memorandum of understanding (MoU) with Selia Pantai for the joint venture.

Johor Menteri Besar Datuk Abdul Ghani Othman, who witnessed the MoU signing, said the project would complement other develeopemnts in the Iskandar Malaysia economic growth corridor.

A joint-venture company called Southkey Megamall Sdn Bhd will be set up to acquire three parcels of leasehold land measuring 36 acres for the project within the 300-acre Southkey development in Johor Baru.

Selia Pantai is the Southkey developer and is a public-private partnership between the Selia Group and the Johor government via Kumpulan Prasarana Rakyat Johor Sdn Bhd (KPRJ).

IGB Corp will have a 70% stake in Southkey Megamall, with the balance owned by Selia Pantai.

Southkey is located within the Johor Baru city flagship zone A of Iskandar Malaysia and is accessible via five-minute drive from the Sultan Iskandar Customs, Immigration and Quarantine (CIQ) complex as well as via Jalan Tebrau, Jalan Bakar Batu and the Eastern Dispersal Link.

Tan said it was a great location for the proposed Southkey Megamall.

"It is not easy to find a location like this. We are bullish on the Johor market. There are many things happening in Iskandar Malaysia," he said.

He said Selia Pantai had approached IGB Corp about six months ago with the proposal for the project, which is planned to have a retail mall as well as hotels, serviced apartments and offices.

The proposed Southkey Megamall will have six million sq ft of space, and will include a net lettable area of 1.5 million sq ft, with about 7,000 carparks and can accomodate two major anchor tenants as well as 400 to 500 retail outlets.

IGB Corp will fund its portion of the project via internal funds and bank borrowings.

According to Tan, another six to nine months will be needed to do studies as well as resolve planning approvals and other issues pertaining to the project.

"We hope to start construction in 2013. This is our first project in Johor. we are always on the lookout for opportunities. We want to look in the north also. Ideally, we want to have Mid Valley City-type developments in the south, central and north (Penang)," he said.

All systems go: IGB Corp Bhd group MD Robert Tan (left) shaking hands with Selia Pantai Sdn Bhd MD Datuk Mohamed Zaini Amran after the signing of a conditional MoU yesterday on a Mid Valley City-type mixed development in Johor Baru. Looking on are IGB Corp chairman Tan Sri Abu Talib Othman (2nd from left), Johor Mentri Besar Datuk Abdul Ghani Othman (centre) and Kumpulan Prasarana Rakyat Johor Sdn Bhd chief executive officer Johar Salim Yahaya. > SEE PAGE 4