



Senibong Cove is Walker Corporation's first Asian foray, with some 7,500 units slated to come on stream.

Millionaireasia
EXCLUSIVE

BILLIONAIRE BLAZES AHEAD IN JOHORE

BY BRIAN YIM & JOLENE KLASSEN IN JOHORE

Australian real estate billionaire Lang Walker was well ahead of the pack when he chose Iskandar Malaysia for his very first big investment in Asia at a time when others feared to tread.

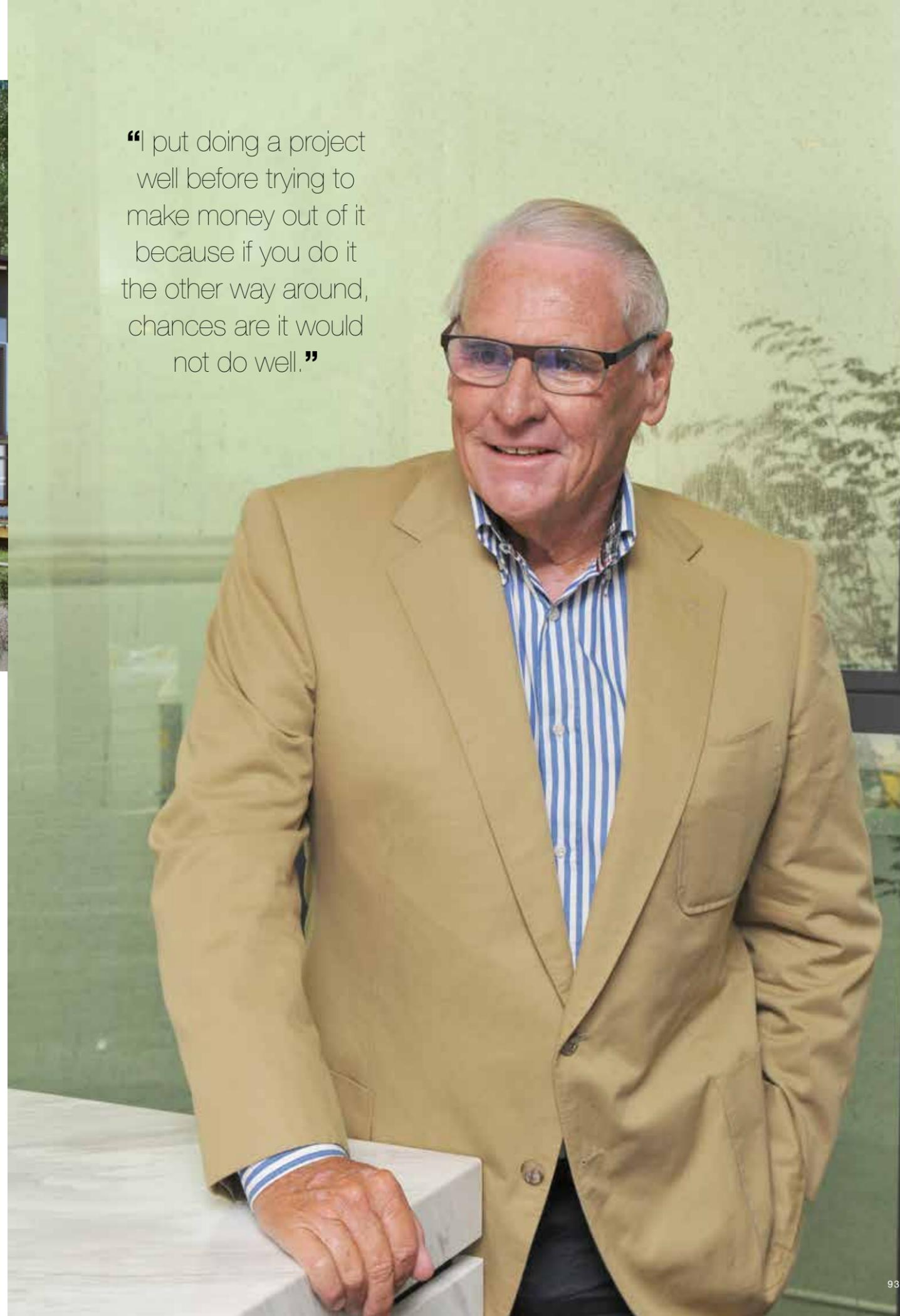
Formerly known as Iskandar Development Region, "Iskandar Malaysia" is now a super-charged real estate playground that has attracted big time developers from Singapore and China such as Country Garden and

R&F Properties, all scrambling to launch massive projects to cash in on the boom.

Yet more than eight years ago in 2008, with Asia deep in the throes of a financial crisis, Australian billionaire developer, Lang Walker, had the foresight

to see the potential of Johore when Malaysian tycoon, Robert Kuok invited him there. Lang liked what he saw, especially the proximity to Singapore. He decided to make his company, Walker Corporation's, first foray into Asia by

"I put doing a project well before trying to make money out of it because if you do it the other way around, chances are it would not do well."





About 40% of Senibong Cove is dedicated to low-rise, surrounded by parks and open spaces.

investing RM5.5 billion (A\$2 billion) to create Senibong Cove Development in Iskandar Malaysia. This exclusive waterfront project is modelled after some of Walker Corporation's most successful projects in Australia – Sanctuary Cove, Rhodes Waterside and King Street Wharf.

Lang, a self-made real estate tycoon with a net worth of US\$1.2 billion, seems to get his timing right, often enough to make one realise it has more to do with business acumen rather than sheer luck



A keen yachtsman, the billionaire also doubles up as Skipper of Kokomo, racing competitively in various events throughout the world.

alone. He sold off his business when the markets were near its peak, reaping a treasure trove of A\$1.25 billion. He chose to retire comfortably at the age of 61 in 2006. But boredom drove him back into business.

Today, Walker Corporation is one of Australia's biggest and most successful property developers with a pipeline of A\$3.6 billion of projects including office towers, industrial estates and residential developments.

Lang, Executive Chairman of Walker Corporation, is not one to shy away from challenges. Known for taking on projects others would shun, the Walker empire today has become a reflection of Lang's single-minded dedication to solving problems and adding value to each project that the group undertakes.

While far from its humble beginnings as a plant and earthmoving company, it is this background in civil engineering that has essentially enabled the group to embark on some of the more daunting building projects in the industry.

"This gives us much input into whether a site is contaminated, difficult or water-charged. For instance, we bought a whole peninsula in Sydney called Rhodes Peninsula. That was where Union Carbide, which made Agent Orange, and Berger Paints were located, so it was one of the most contaminated sites in Australia. But we worked through the whole process and eventually, we created an architecturally-inspired community where each precinct was

named after the architect who designed it," Lang recalled.

While Lang attributed getting his timing right as the reason for his success, he continued, "A lot of it is common sense. When banks are out there lending to inexperienced developers, it is probably time to take a back seat and lift your foot off the accelerator. So when people want to pay good money for good assets, we sell it."

The rest, he added, required a "fair bit of luck" and learning from previous mistakes. "You do not get it right all the time. I have about a 70% to 80% success rate. And in 50 years in business, you make a lot of mistakes. You just need to make more right calls than wrong ones. Every time you go into something, you get a little bit smarter with the next project," he said.

Learning From Mistakes

Recalling one painful setback that stayed with him for a few years was his first multi-storey development in Sydney. "It was all pre-sold and I had an architect design every apartment too small; so first off, the design was wrong. The timing was wrong too, because of the 1981 crash, my partner went broke, as did the builder, and pretty much everything that could go wrong, did. For quite a few years after that, I felt that I would rather build horizontally than vertically," he quipped.

Still, undeterred, Lang took each setback in stride. "It did not break me.



Walker Corporation has spent about RM100 million on infrastructure at Senibong Cove, including reclamation works to create an island, canals, a marina, landscaping and a network of boardwalks along the waterfront bordering the estate.

I just had to work a little bit harder. One important lesson I learnt was that when things were not working, I had to learn to cut my losses and move on, and not be too emotional about losing money. There have probably been half-a-dozen projects that I have had to cut off over the years when the market changed. These in turn teaches you to think hard about your timing and getting it right," he revealed.

Diversifying is another way in which the property magnate has become successful over the years.

"Not getting too over-gearred and too exposed in one market is one thing to bear in mind. Spreading your risks is important. In Australia, we are in all the market sectors and all the states, except the northern territory. We are doing something different in each state: from industrial in Brisbane and residential in Melbourne, to retail in Sydney and

residential in Queensland. We have quite a spread, and it is something that has been very helpful over the years," he continued.

Doing It Right Comes First

Despite being one of the wealthiest people in Australia, ranking No.21 on Forbes' Australia's 50 Richest list, the 69-year old developer shared that he does not think about wealth.

"I prefer to run my business well, and if you do that well, then naturally you make some money. I put doing a project well before trying to make money out of it because if you do it the other way around, chances are it would not do well," he quipped.

That said, Lang added that wealth lets him do the things that he enjoys. A keen yachtsman, the billionaire also doubles up as Skipper of Kokomo, racing competitively

in various events throughout the world.

First Asian Foray: Senibong Cove

There seems to be no slowing down the real estate kingpin, as he admitted that he came out of retirement a few years ago.

"I do not think I will ever retire. I have too many things going on," he enthused.

One such project that is keeping Lang busy these days is the 84-hectare Senibong Cove in Johore Bahru.

While Walker Corporation had already made inroads into the US and Canada, Lang originally had no plans to set up a venture in Johore Bahru.

"I planned to buy some land from the Kuok family at King Street Wharf in Sydney, but I ended up buying a penthouse from them instead in



Another draw for Lang to plant the Walker flag in Johore was its proximity to Singapore – just six kilometres from the causeway.

Horizons. They then invited me to Johore Bahru, to view retail developments here. The plan was to do a joint venture with the Kuok's in retail, but it did not take off and in fact was probably a bit premature.

One key factor that convinced Lang to venture into Asia was the Malaysian Federal Government's investment in infrastructure throughout the state.

This led him to take a closer look at the former prawn farm where Senibong Cove now stands. With an upcoming highway through the back of the site and road networks leading to the area, Lang had a vision to transform the coastal area into a first-class waterfront development unlike any other in the vicinity.

"I felt that this area had potential and I like looking at developments near infrastructure, both existing and upcoming," he continued.

This was back in 2008, when the financial crisis was underway in US and beginning to trickle through to Asia. As developers began to shelve and even abandon their projects during what has been dubbed as the worst financial crisis since the Great Depression in the 1930's, Lang took a contrarian view and held fast to his plans for Senibong Cove.

"Right through the great financial crisis of 2008, we kept on developing the site, preparing plans and putting all of this together. We stayed on and believed in Johore Bahru, and started with the development of our Phase 1 and 2 plans, which were both successful as we eventually sold out," he quipped.

To date, Walker Corporation has spent about RM100 million on infrastructure, including reclamation works to create an island, canals, a marina, landscaping and a network

of boardwalks along the waterfront bordering the estate.

The development has generated sales totalling RM1 billion since the first stage was launched in 2010.

Still, the RM5.5 billion waterfront project is only 25% completed to date, with some 7,500 units slated to come on stream over the next few years. "This is going to keep us busy for a long time. It is a mix of high-rise and low-rise, with a marina and restaurants around the retail, much like King Street Wharf in Sydney. The retail component is indoors, while the restaurants are going out onto the boardwalk," Lang revealed.

Another draw for Lang to plant the Walker flag in Johore was its proximity to Singapore – just six kilometres from the causeway. With real estate prices between 20% and 25% higher in the city-state, the property developer is

confident that the project will draw investors from across the causeway as well.

Attention To Detail

Looking to build a community rather than simply building apartments, a lot of care and attention to detail has gone into the development.

Offering a mix of high- and low-rise apartments that are of "Singaporean-Australian standard and quality", and set within spacious environs, Lang added, "About 40% of our space is dedicated to low-rise, with quite a lot of parks and open spaces. For the high-rise, we are keeping it around the marina and retail, just to give the area some real buzz."

Lang has also brought in the management team that oversaw the group's Sanctuary Cove development in Australia, to manage the after sales,

maintenance and security of the property. "We have gated communities in each of the precincts with proper guards on land and in the marina, so we are doing it properly. This sort of quality is a first in Johore," he said.

Despite this attention to detail, Lang maintained the units at Senibong Cove are not overpriced, ranging from RM500,000 for a dual-key apartment to RM2 million for a Freehold three-storey waterfront villa. While competition is set to pick up, as land in Iskandar is very expensive, he is in no hurry to complete the project, focusing more on getting the product and quality right.

"This will be a great stepping stone for other projects, to put a stamp on this as a successful Asian project. If it takes a bit longer, it is okay, as long as we do not get ahead of ourselves and keep an eye on the trends. I want to make this a

flagship for Johore Bahru, and I think we are on the right track," he maintained.

Focusing On Quality

His hands full with Senibong Cove, Lang shared that he has no plans to set foot into other parts of Southeast Asia yet.

"I like doing a small number of big things properly, rather than jumping all over the place," he explained. Still, he remains open to exploring other projects within Johore Bahru.

"In the long-term, Singapore and Johore are going to work a lot closer together. Singapore has its constraints, and basically everything there is expensive. One of the attractions here is that it is very affordable. At the same time, what Johore Bahru lacks are good quality projects, and that is what we are focusing on," Lang concluded. ▲