

# Hua Yang targets maiden home buyers

By Hamisah Hamid

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**KUALA LUMPUR:** Property developer Hua Yang Bhd is banking on strong demand for affordable houses from Malaysia's large young population to more than double its revenue to over RM500 million by 2015.

While most property developers are targeting high-end market to ride on the rising income of Malaysians, Hua Yang prefers to focus on the niche, untapped market of medium-cost properties.

Chief executive officer Ho Wen Yan said the company wants to fill the gap in the industry by providing affordable quality homes, especially to first-time home buyers and be a leading affordable housing market player.

## PASSION FOR BUILDINGS: B2

"The loan-to-value ratio of 70 per cent for housing loans will not impact our target market (first-time home buyers)," he told *Business Times* in an interview recently.

Backed by 30 years experience in property development, Hua Yang has built over 10,000 units of commercial and residential worth RM1.2 billion.

The company is currently involved in a dozen projects throughout the country with an estimated gross development value (GDV) of RM650 million.

The total GDV for this year will reach RM1 billion inclusive of project launches

■ TURN TO B7, COL. 1



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Chief executive officer, Hua Yang Bhd



# Hua Yang has 315ha of undeveloped land

■ FROM B1

until year-end, Ho said.

He said the group has a 314.8ha of undeveloped land with a GDV of RM2.2 billion. Its landbank is located in Selangor, Johor, Perak and Negri Sembilan.

Ho said Hua Yang posted strong growth in the past three years as the take-up rate is almost 100 per cent for each project. He attributed this to rising awareness and trust among buyers on the company's products.

For the year ended March 31 2011, Hua Yang reported RM25.2 million net profit on the back of RM188.9 million revenue, up 82 per cent and 118 per cent from the net profit and revenue achieved in the previous year.

Ho said the company's profit margin is comparable

with other developers because Hua Yang controls the land cost and construction process, thus enhancing the efficiency.

"Everything is tendered out on competitive basis and everyone in the company is professional, so we have already cut the inefficiency," he said. The company also practises zero-stock policy, where it only has less than 1 or 2 per cent of unsold stock.

For this year, Ho is optimistic that Hua Yang will do better than in 2010.

This is due to more project launches by the company, strong demand for affordable houses and active property market.

"Generally, demand (in the property market) is still stable. When the economy is good, demand goes up and when the economy is down,

the demand falls," he said.

He acknowledged that the government's My First Home Scheme will contribute further to Hua Yang's growth as the banking sector is more prepared to give out loans to home buyers.

Launched in March this year, the scheme allows the younger generation earning less than RM3,000 per month to obtain 100 per cent financing from selected financial institutions for houses costing between RM100,000 and RM220,000 with a repayment period of 30 years.

Ho said Hua Yang is keen to work with the government in building affordable houses under the scheme.

"If the government thinks that affordable housing is an important sector, we are comforted that we are in this segment," he added.