

Headline	Hua Yang puts stronger effort to increase landbank asset		
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KUCHING: Hua Yang Bhd (Hua Yang) has reiterated that it will continue to focus on landbanking activities in the second half of financial year 2015 (2HFY15), with the Penang mainland and Kota Kinabalu as potential new target markets.

RHB Research Institute Sdn Bhd (RHB Research) noted in a report that Hua Yang's management has stated it will continue to guide for more landbanking activities over the next six months and targets to replenish between RM500 million and RM1 billion in gross development value (GDV).

While it will still be looking at landbank within its current markets of Klang Valley, Johor and Perak, the company's current priority would be to penetrate into new markets. Thus far, it has identified the Penang mainland and Kota Kinabalu, Sabah, as possible new targets.

The affordable housing segment remains the key focus in these new markets, and the research house expect it to target growing its landbank in secondary towns to maintain its 25-30 per cent gross margin.

"Unlike the general market's expectation of consumers front-loading bigticket items ahead of the GST implementation, Hua Yang's management believes that some buyers could hold off the purchase of properties until after the tax is implemented in Apr 2015.

"It thinks that buyer sentiment will likely be affected due to the uncertainties over the change in property prices post GST.

"Nonetheless, we believe that its new sales target of RM500 million to RM600 million is still achievable on the back of new launches worth RM1.1 billion that have been planned for the year," RHB Research opined.