

# AFFORDABILITY AT THE FORE

By Cheah Chor Sook

While most of its peers have moved on to more upmarket or niche projects – some are even focusing on overseas ventures at this moment – main board listed property developer Hua Yang Bhd has remained true to its mission of providing affordable housing to the middle-income market.

Seen as a competitive edge, the company's offerings have remained in the RM90,000 to RM380,000 range even as it clocked 30 years of operations last December.

'Providing affordable and quality homes at strategic locations has been our competitive edge for the past 30 years and will certainly be our core strategy for the years to come', the company's Chief Operating Officer Ho Wen Yan tells *Malaysian Business*.

To date, Hua Yang has completed close to RM1 billion worth or some 8,000 units of affordably-priced residential, commercial and industrial developments across the Klang Valley, Johor, Perak and Seremban.

Our approach stems very much from our own passion to provide affordable homes to Malaysians – this has been the underlying aspiration of our late founder, Ho Mok Heng,' reiterates Wen Yan.

Founded in 1978 as Heng Poh Sdn Bhd, Hua Yang started its first development project consisting of

eight units of four-storey shop in Jalan Gopeng, Ipoh at a Gross Development Value (GDV) of RM2.44 million.

## Response

With affordability at the fore, the take up rate for Hua Yang's offerings has been encouraging despite the current volatile market conditions. 'We notice a substitution pattern among first time home buyers and we're glad we're able to fill this gap in demand with our products,' Wen Yan points out.

The current softening market has served Hua Yang well in the sense that many first time buyers are scouting for affordably-priced properties as opposed to higher-end products. The task is also made easier by the fact that the company is a reputable name synonymous with quality products.

Among the company's most recent projects is Symphony Heights in Selayang, which consists of 946 apartment units spread over three blocks of 29-, 30- and 33-storeys. Boasting a GDV of RM180 million, the project occupied a 1.2-ha site near Batu Caves with Phase One of the project slated for completion before July 2011. Targeting owner-occupiers comprising of newlyweds, young families and first-time owners, prices are affordably-priced from RM135,200 to RM324,500.

As property in Kuala Lumpur and surrounding areas such as Petaling



Wen Yan: Providing affordable and quality homes at strategic locations has been our competitive edge for the past 30 years.

Jaya, Bangsar, Segambut, Damansara Utama and Subang Jaya are getting pricier, more people are looking for other 'addresses' that are conveniently located, highly accessible with a matured community, and affordably-priced, according to Wen Yan.

'Selayang has all this and more as it is both highly accessible and has a matured



Then and now: Hua Yang's maiden project in Jalan Gopeng, Ipoh (left) and Symphony Heights in Selayang, Selangor



community with many amenities such as schools, hospitals, markets and sufficient green lung for individuals to consider buying a property here,' he adds.

## Moving forward

To date, Hua Yang has 400 ha of undeveloped land bank that has a potential to generate in excess of RM1.8 billion in GDV. This, however, does not deter the company from continuing to be on the lookout for more landbank within the vicinity of the Klang Valley.

'We've strong belief on the prospects of areas lying between Selayang and Rawang. We're also looking at acquiring smaller plots in Kuala Lumpur, in addition to about 60 ha to 120 ha outside Klang Valley,' notes Wen Yan.

The rationale for smaller land plots in strategic middle-class locations in the Klang Valley is to enable Hua Yang to generate faster sales while the bigger land size outside the Klang Valley is in line with the company's preference to build larger townships

in locations outside the Federal capital.

Aside the Klang Valley, Hua Yang has developed 30% of its 220-ha landbank in Ipoh and about half of its 190.8-ha landbank in Johor. The size of its existing landbank in the Klang Valley currently stands at 8 ha.

## Future

Aside from Symphony Heights, Hua Yang is also the developer for prominent mixed townships, namely Bandar University Seri Iskandar, Perak (335.2-ha with a GDV of RM665 million), Metro Pengkalan, Perak (60-ha with a GDV of RM160 million) and Taman Pula Indah in Skudai, Johor (191-ha with a GDV of RM818 million).

On Hua Yang's future undertakings, Wen Yan says Hua Yang aims to develop various property projects with a total GDV of RM1.1 billion over the next eight years. In the pipeline is a mixed development project on a 7.16-ha site in Sungai Besi, with a GDV of RM700 million, which is expected to commence in the second half of this year.

Three other projects are Seremban Country Heights (GDV: RM145 million) and Senawang Industrial Development, which comprises industrial and commercial components (GDV: RM143 million) in Negeri Sembilan, and Polo Park Gated Development in Johor (GDV: RM28 million). These pipelined developments have been earmarked to commence within the next two to three years while the company looks to secure new opportunities within the country.

Despite its expansion drive, Wen Yan is optimistic that Hua Yang would continue to target the middle-income mass market as opportunities still abound in the affordable segment market.

'This is our direction for the next three to five years. After all, there're 63.5% of Malaysians aged between 15-64 years old with many of whom, we believe, still looking for their first home,' he notes, citing figures from the Department of Statistics.

'Towards this end, Hua Yang will continue to build quality homes and townships with good residential and commercial mix as its core business, adds Wen Yan. **MB**