



HUAYANG
DAYA NEKA SIKRIND

Aiming for the **BIG LEAGUE**

Hua Yang took its first small steps with a modest project in Ipoh 30 years ago. Today, the housing developer has completed projects with a GDV of more than RM1 billion nationwide. It plans to roll out another RM1 billion worth of developments in the next two years. The aim, says chief operations officer Ho Wen Yan, is to join the big league in five years. **Rosalynn Poh** has the story on Page 6.



Building on the Hua Yang legacy

Every great journey starts with one small step — this aptly describes the journey undertaken by developer Hua Yang Bhd. Originally called Heong Poh Sdn Bhd, it had its beginnings in Ipoh where it started its first project — eight 4-storey shophouses — on Jalan Gopeng in 1978.

Today, almost three decades later — and with its head office now in Selayang, Selangor — Hua Yang has completed RM1 billion worth of projects nationwide and has close to RM1 billion in property projects to be rolled out within the next two years. Its latest project is One South in Sungai Besi, Kuala Lumpur, an integrated development with a gross development value (GDV) of RM776 million.

Giving an insight into this journey, Hua Yang's 35-year-old chief operations officer, Ho Wen Yan, recently spoke to *City & Country* about his late father and founder of Hua Yang, Ho Mok Heng, and how it all started.

"Both my father and mother were teachers who rented a house after they were married. When they decided they wanted to start a family, they pooled together all their savings and obtained a government loan to buy their first home," says Ho.

"Our first home was a small 3-bedroom, 1-storey terrace where I was born. That was what really changed my father — the pride in owning and providing for his family. In the 1970s, there was a housing shortage and the quality of homes then was definitely not what we expect today."

Ho believes what prompted his dad to change his career from teaching to property development was the experience of owning his first home. "His vision was to provide quality and affordable homes to Malaysians, and this has remained our company's mission for many years," he says, adding that although they moved out of the house many years ago, it was never forgotten. "Often, my late father would drive past just to see the old house whenever we returned to Ipoh on family trips," he says.

"The story of how my dad switched from teaching to property development is quite a typical Malaysian entrepreneurial story of hard work and perseverance. The first project was funded by borrowings from relatives and friends and, in the early days, the company was staffed by family members — mostly my uncles and aunts," says Ho.

"The business was run conservatively; growth in the early years was slow. The company grew slowly — project by project — and whatever profits made from completed projects were ploughed back to fund the next one. It was only in the 1990s that the company experienced significant growth. This coincided with the booming Malaysian economy leading up to 1997. With prudent practices, the company came out of the crisis relatively unscathed and was listed on Bursa Malaysia in 2002," says Ho.

Since 2002, the developer has put in place several strategies for the next phase of growth. "Firstly, we have positioned ourselves in three key urban growth centres [the Klang Valley, Johor Baru and Ipoh]; secondly, we have transformed the organisation to be professionally run. In management, only my uncle and myself are directly related to the founder. Thirdly, we have divested all non-core businesses and refocused



Top and bottom: Symphony Heights, Selayang; an artist's impression of One South commercial development in Sungai Besi

the company on serving the public with our residential developments," he says.

Lofty goal

Thirty years on, the developer remains committed to building quality and affordable homes, especially for young income earners. The developer has projects in Perak, the Klang Valley, Negri Sembilan and Johor.

"My long-term vision is to see the company become a top property developer, hopefully within the next five years," says Ho.

For the last few years, he has been picking up valuable lessons as well as setting the standards and establishing the right procedures.

"The company's culture has always been about team work. I encourage our talented people to grow and improve. I am now the 'cheerleader', giving management support for their decisions and actions," says Ho.

CEO Ho Mook Leong handles strategic and corporate matters, while Wen Yan covers the day-to-day operations of the company. Mook Leong is also Wen Yan's uncle.

"I was not born with a silver spoon in my mouth. Hard work and passion were the important lessons I have learnt from my parents," says the determined young Ho, who is an architect by profession. He spent about 10 years studying and working in the UK and returned to Malaysia in end-2003 to join Hua Yang.

"When I joined Hua Yang, I started work in the construction side. At that time, the Taman Pulai Indah project in Johor was under construction and so, it was a good opportunity for me to learn about construction practices from the beginning," says Ho.

Ho was later moved to the sales, marketing and credit departments. Six years have passed and he now believes he knows the ins-and-outs of all the departments.

From his interaction with customers and buyers, he got to know some of them well. "By being in daily contact with them, I got a better feel of what they wanted and the problems they encountered," he says.

The company recorded a 67% increase in revenue to RM100 million for FY2009 ended

March 31 from RM59.9 million in the previous year. Ho says the strong performance was the result of the company's strategy to concentrate on affordable houses. This was borne out in Taman Pulai Indah, the developer's 477-acre flagship development. The project has been the main revenue earner over the last eight years.

"It is 75% to 80% complete. We recently purchased another 140 acres in the vicinity for a RM350 million mixed development project which is likely to be launched by 3Q2011," says Ho.

"Johor is a key market for us and we intend to strengthen and consolidate our position there. Having built a strong reputation for delivery and product designs, we expect the new project to be successful," he adds.

Upcoming projects

The next big item on Hua Yang's plate is One South. Its initial plans include 1,261 serviced apartments, 383 shop offices, two blocks of office towers, 98 retail units and four levels of car park.

According to Ho, its commercial development is aligned along the Kuala Lumpur-Seremban Highway, while its residential segment faces the Mines Lake and Palace of The Golden Horses Hotel.

One South, to be built in five phases, will take six to eight years to be fully developed. Its first phase will feature 73 retail units sized from 800 to 2,000 sq ft and 310 offices of 500 to 2,500 sq ft. The indicative prices of the former are between RM550 and RM750 psf and the latter, RM350 psf.

The remaining phases will consist of serviced apartments, office towers and additional retail lots. Its first phase will be launched in 1Q2010. Ho says buyers are mainly from Kuala Lumpur, Petaling Jaya and Subang Jaya.

Apart from several pockets of development in the 1980s, Hua Yang's first commercial project in the Klang Valley was Medan Selayang which houses its head office, in 2005. Located behind Medan Selayang is its high-rise serviced apartments, Symphony Heights, on a 2.97-acre site.

Symphony Heights consists of three blocks of 29, 30 and 33-storey buildings. Its first phase, with a GDV of RM200 million and launched in July last year, has been 78% sold to date and scheduled for completion before July 2011. The 544 units offered comprise 2 and 3-bedroom apartments, with built-ups from 863 to 1,246 sq ft and priced from RM135,200 to RM324,500.

Symphony Height's second phase, soft launched recently, comprises one 33-storey block with 219 units. With a GDV of RM54 million, the units have built-ups of 1,144 to 1,246 sq ft and are tagged from RM245,000.

In Negri Sembilan, Hua Yang has two launches planned for next year — Country Heights Seremban and Senawang Industrial Development. The first phase of Country Heights Seremban, launched in the late 1990s, had been completed and sold. It consisted of 99 units of 2-storey terraced houses. The remaining residential development, comprising bungalow lots and semideeds, with a total GDV of RM45 million, will be launched in 1Q2010 and will take four years to complete.

Senawang Industrial Development is an industrial and commercial venture, with an estimated GDV of RM43 million and scheduled to be launched in 2Q2010.

Also in the pipeline for next year is a gated and guarded development in Johor Baru, Polo Park, with an estimated GDV of RM30 million. The freehold tract, comprising 32 semideeds, is located in the city centre and will target Johor and Singapore homebuyers. "We will launch Polo Park when the market is right, possibly 2H2010," says Ho.

The developer is also keen to expand to Penang. Ho says it is looking to develop both residential and commercial projects on the island.

The years ahead will clearly be busy for Hua Yang, with more than RM1 billion worth of new projects to be rolled out. Ho is determined to see his company join the top five property players within five years. So far, it looks promising but only time will tell if his vision will be realised. ■