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Emkay confident of selling properties worth close to RM1b

AT a time when developers are fighting the effects of the economic downturn, Emkay Group of companies are confident of selling close to RM1 billion worth of residential and commercial properties this year.

Executive chairman Datuk Mustapha Kamal Abu Bakar said the company, primarily involved in the development of low- and medium-cost housing, hoped to sell about 10,000 units this year.

"This is an optimistic figure but I am confident that we are able to meet that target," he told a news conference on Wednesday.

The properties on offer this year include 6,800 units in Taman Bunga Raya, Bukit Beruntung and about 5,000 units in Damansara Damai, Bukit Lanjan.

Of this, about 80 per cent falls into the low- or medium-cost category.

The group sold 4,122 residential and commercial units in 1997 worth RM201 million and last year, the figures increased to 7,082 units worth RM422 million.

Last year, the company posted a profit of RM25.2 million which is expected to increase this year.

Mustapha Kamal said one of the reasons for the projected increase was that the company had anticipated buyers' needs at the present time.

He said Emkay's 14 subsidiaries had been concentrating on the development of low-cost houses which were in demand with the economic slowdown.

"But we had ventured into affordable housing not in reaction to the economic situation. It was planned well before the economic slowdown," he said.

He cited Medan Prestasi Sdn Bhd, a joint venture with the Selangor State Government, as having planned to build 50,000 low-cost homes before the crisis started, to alleviate the squatter problem in the State.

"We ventured into an area which not many developers would dare to, in what we call cross-subsidy."

This means the company is allowed to build other houses in the range of RM60,000 to RM80,000, from which the proceeds can be used to subsidise the construction of low-cost units.

Apart from this, Mustapha Kamal said Emkay was allowed to use 25 per cent of the land allocated for development by the State Government for commercial purposes.

"This concept produced a win-win situation for the State Government, Emkay and the housebuyers," he said, adding that the Government's move to raise the ceiling price of a low-cost house from RM25,000 to RM42,000 last year greatly helped the group to weather the economic storm.

Come March 20, the group will be handing over the keys of 3,000 low-cost houses at Taman Bunga Raya to the Selangor State Government.

Prime Minister Datuk Seri Dr Mahathir Mohamad will be the guest of honour at the handing-over ceremony.

Besides this, Emkay has also focused on development of upmarket properties with 280ha consisting residential and commercial properties at its Damansara Perdana project, the Tasik Bukit Merah resort near Taiping and the Langkawi Lagoon, a joint venture with a Korean company.

Emkay is also launching the first phase of its residential project in Cyberjaya called Cyberia which comprises 300 condominium units and 150 townhouse units.

The project, spread over a 12ha site adjacent to the Multimedia University, will be the first residential area to be launched in Cyberjaya. The launching is tomorrow.

Emkay, through its subsidiary Paramoden Sdn Bhd, is among the prime developers of residential properties in Cyberjaya together with Landmarks Bhd, Country Heights Holdings Bhd and Renong Bhd.

Mustapha Kamal said Emkay was hopeful that the project would attract many buyers, especially those working at the university and nearby Putrajaya.

"With the university expected to become the heart of Cyberjaya, Cyberia is also expected to become a prime residential complex in the future."

And the first to take up the offer are government servants who will be relocating to Putrajaya later this year.

Tomorrow, Koperasi Setia Malaysia Bhd will sign an agreement with Paramoden to purchase 300 units for government employees.

Mustapha Kamal said work on the first phase would commence in July and was expected to be completed in three years with projected sales amounting to RM100 million.

"The second and third phases will commence when there is demand."

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