

Ireka to go into affordable housing

> It intends to build a strong brand in the segment, starting with a project in Nilai

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KUALA LUMPUR: Ireka Corp Bhd, which plans to launch four projects with a combined gross development value (GDV) of RM1.9 billion over the next five years, will diversify into building affordable homes and, eventually, build a strong brand in that segment, said its executive director Lai Voon Hon.

The Main Market-listed group had in the past been focusing on the high-end property and hospitality markets.

“(Growth in) the domestic property market may be sluggish or flat from next year. That’s why we have to differentiate ourselves. For affordable homes, demand is (still) strong and we hope the (upcoming) budget (announcement) will reflect it,” he told reporters after the group’s AGM and EGM here yesterday.

Lai stressed that Ireka is not merely building affordable homes to meet the current demand from middle-class buyers, but intends to build a strong brand in the segment for the long term.

He added that over the last year or so, the group had turned its attention to the affordable housing market and bought land in Nilai, Negri Sembilan and Kajang, Selangor for this purpose.

It was reported earlier this year that Ireka will develop houses and apartments in Bandar Nilai Utama, Negri Sembilan and a mixed project in Kajang.



From left: Lai Voon Hon, Ireka Corp Bhd group managing director Lai Siew Wah, chairman Abdullah Yusof and Monica Lai at the AGM and EGM.

It is also eyeing more land to build more affordable homes but declined to name the locations.

“In fact, in Vietnam, we (under Aseana Properties Ltd, a London-listed property developer initiated by Ireka in 2007) invested in a company that is actually the largest player in affordable housing there so we have got quite a lot of synergy with their experience,” he added.

On the four projects planned for the next five years, Lai said two will be launched in the fourth quarter of this year. They are located at Jalan Kia Peng, Kuala Lumpur and Nilai.

The project at Jalan Kia Peng involves a boutique hotel and a 200-unit serviced residence adjacent to the Kuala Lumpur Convention Centre, while the project in Nilai comprises 142 affordable super-link houses named Kasia Greens.

On its construction business, Lai said

the group is in discussions to secure some jobs in Puteri Harbour, Johor, including a high-end condominium project. It was also eyeing some work packages for the Kuala Lumpur Mass Rapid Transit.

“More than 90% of our revenue now comes from the construction segment. However, we are focusing quite a bit on property development.

“In the past, we have kept our property development projects (parked) under Aseana. Going forward, we (Ireka) will have quite a number of direct investments,” he added.

Group executive director Monica Lai said Ireka’s orderbook currently stands at RM750 million, of which RM400 million remains outstanding.

“We are currently looking at a couple of projects and hope to announce them soon...our construction team is busy bidding (for more jobs),” she said.