

UOA set to embark on two new projects

05 MAY 2021

PETALING JAYA: Property developer UOA Development Bhd is expected to register earnings growth this year, underpinned by the rollout of new projects in the second half of 2021.

Analysts noted that market sentiment this year is set to improve on the back of the ongoing nationwide vaccination programme.

RHB Investment Bank in a report said UOA Development is reporting two new projects in the second half of 2021.

"Management has indicated that it is looking to roll out two new projects in the second half of 2021, as confidence in the property market improves further, with the mass roll-out of Covid-19 vaccines.

"The two new projects are apartment blocks in Bangsar South (featuring smaller units), as well as Aster Green Phase 2."

The research house noted that as these projects have an estimated gross development value of between RM600mil and RM700mil, sales for the group's current financial year will likely be higher than the RM384mil recorded in 2020.

It said UOA Development's new property sales should climb to about RM500mil this year.

"So far, the take-up rate for Aster Green Phase 1 has been encouraging at 75%, but The Goodwood Residence is only 30% sold. Both projects were launched in late 2019."

RHB said UOA Development also has three new investment properties coming on stream this year, namely Bamboo Hills, Komune Living & Wellness and United Point.

"We believe the contribution from these new investment properties will become more material only in the second half of 2022 or in 2023 and will partially make up the loss in income subsequent to the disposal of the UOA Corporate Tower last year."

Located in Bandar Tun Razak, RHB said Komune Living & Wellness is UOA Development's first fully-furnished senior-assisted living development, with 900 suites catered for short and long-term stays.

The project will be completed by the end of the year and held as an investment property under the company.