

SE Business
HD **Australia's Crown International Woos Indonesian Investors**

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Sydney-based **property company** Crown International Holdings is seeking to raise Rp 1.5 trillion (\$134.6 million) by attracting Indonesia's elite to invest in **property** in Australia. Crown, founded by Indonesian-born businessmen Iwan Sunito, who is the chief executive, and Paul Sathio, is targeting to raise A\$1 billion (\$924.3 million) globally this year to fund its future projects in Sydney, Melbourne and Brisbane. Iwan said Australia has great investment potential, with Crown's apartments seeing 15 percent to 20 percent annual growth in price. "Crown is known for its prime development," Iwan said. "In particular, Sydney is lacking **apartment** supply with a backlog of about 10,000 units." Iwan also expects demand to increase in line with moneyed students coming to Australia. "It's estimated that 500,000 students will come to Australia annually in 2020, up from 400,000 now. Those students are likely to **buy** apartments and invest here," he said.

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China is also one of the biggest potential buyers, with the country's state-owned enterprises expanding abroad, Iwan said. "Investing in Australia is more predictable, as the country is stable economically and politically. We can also tailor the investment to match the client's needs in term of risk and return," said Prisca Edwards, Crown's head of **transactions** in the Australasian region. According to Edwards few financial institutions have expressed interest in the **company's** global investment fund and the **company** will be pursuing private individuals to meet its fundraising goals. Crown currently has A\$3 billion worth of projects currently under construction or awaiting construction. The **company's** Sydney projects include Skye by Crown, a 20-floor **apartment** in North Sydney, V by Crown, a 27-storey **residential** tower in Parramatta, Viking by Crown, a 10-floor **apartment** complex in Waterloo and Top Ryde City Living, a seven-tower **apartment** complex in Top Ryde. Edwards said the investment return for individual investors can be tailored to each investor's need, in term of the return payment period and risks. For an investor with a short-term view, Edwards recommends Skye by Crown, in which the **company** has only nine units left for **sale** from 242 units offered. "Buying into Skye is very low risk, as we've almost **sold** all units," Edwards said. Construction of Skye's project will start this week and is expected to finish in 18 months. After the project is completed, investors will have their money returned with some yield, making it ideal for a short-term investment, Edwards said. Australian **property** buyers must only pay 10 percent of the **property** price for a down payment. The down payment is then locked in a separate trust fund and the **company** must use funds from its own capital, bank loans, or investment from third parties to complete the construction. Developers receive full payment from buyers after the construction is finished. Such schemes ensure that a developer will complete its project, providing greater protection for buyers. Investors can also gauge the soundness of their investment in the **apartment** project simply by looking at the number of units **sold**. In Indonesia it is a different story; where sometimes developers require full payment from buyers to fund their project construction. It is not rare for Indonesian **apartment** developments to end midway through construction with the developer filing for bankruptcy, with both investors and buyers losing their money. Several Indonesian clients have shown interest to invest in Crown global investment fund, Edwards said. Crown also offers options for investors with a medium-term view. "We are acquiring some new land. These new areas will take three to four years to develop as we have to secure permits," she said. Established in 1996, Crown is now one of the largest developers in Australia. Edwards says Crown is known for its iconic and award winning **apartment** developments in Sydney. The Jakarta Globe was invited to Sydney by Crown International last week.

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