

JTResi founder finds niche in Indon market

It might have seemed that Jerry Tan struck out on his own at a bad time, but not so. He tells **Kalpna Rashiwala** how his boutique agency has found business venturing into Indonesia

WHEN Jerry Tan quit his job as residential director at Colliers Jardine on Sept 4, 2001, to set up his own boutique residential property agency, he had no inkling of what was to follow exactly a week later — 9/11. “When Sept 11 broke, if I’d had a gun, I think I would have shot myself,” he says.

“It was a double whammy — the shock of the tragedy and starting out on my own after all this time, at the age of 44, and with barely five GCE ‘O’ Level credits,” the managing director of Jerrytan Residential recalls during an interview with BT in his office on the third floor of a Boat Quay shop-house.

Fortunately for Mr Tan, now 46, Sept 11 was soon followed by an announcement by the Singapore government in October 2001 allowing foreigners once more to obtain Singapore-dollar housing loans.

“Something sort of rang in my ear

and said: ‘Maybe, I should go south, towards Indonesia, as I am fluent with the language, familiar with its culture and it’s been a while since the Indonesians came buying in Singapore.’”

So he teamed up with Colliers Jardine Jakarta to stage a two-day event at the Mercantile Club in Jakarta’s World Trade Centre to help Indonesians get “reacquainted with the Singapore property market following the changes”.

The response to that event encouraged Mr Tan to join forces with a former colleague, previously from Colliers in Indonesia, Henry Tjokroharto, to establish a more permanent tie-up. PT JerryTan Residential Indonesia (JTResi) was born on Jan 15, 2002.

The joint venture has been making inroads in Indonesia, selling upmarket Singapore homes to wealthy Indonesians not just from Jakarta but places like Bandung, Surabaya and Medan. Since January last year, JTResi has sold 63 units worth \$116 million in projects like The Edge on Cairnhill, Belmond Green and The Paterson.

What gave Mr Tan the confidence

to zoom in on this market was partly his familiarity with the language Bahasa Indonesia. Thanks to his Peranakan or Straits Chinese descent, he studied Malay in his school days.

But more importantly, it was the sweet memories of his first success with the Indonesian market during his Colliers days when, in 1994, he took Fraser & Neave group’s Anchorage condo to Jakarta for a three-day exhibition and managed to rake in a whopping \$100 million of sales.

“We held the exhibition soon after labour riots broke out in Medan, and there was a lot of scepticism at the time about going down there,” Mr Tan recalls.

But the instability in Indonesia only served as a spur for wealthy Indonesian Chinese seeking to park more funds overseas to snap up the Anchorage condos that Mr Tan and his colleagues were marketing. “So we went against the odds and we made a killing, a real killing,” he says.

Despite the return of Indonesian buyers to the Singapore residential scene, things are not as hot as they used to be.

The profile of Indonesian buyers here has also changed over the years. Those active in the 1994-96 period — during the property bull run — tended to be super rich, eyeing luxury properties like Scotts 28 and Ardmore Park and often owning several homes on the island.

Indonesian buyers these days, however, tend to be more upper middle-class, running family businesses and with a \$1 million to \$2 million budget for their first property in Singapore, he says.

These days, too, potential buyers seem to be eyeing properties more for occupation by themselves or their children studying here, whereas the Indonesians who bought multiple Singapore properties in the halcyon days often did so for rental income.

Despite JTResi’s success in Indonesia during the past 16 months, Mr Tan believes “we have barely scraped the barrel”.

“What is encouraging is that every time we have an exhibition, we are seeing new faces. So the market is very big,” he says.

“I still believe Indonesia will be a good market (for Singapore homes) in the second half of this year — after the current Sars problem hopefully blows over — as there is still some uncertainty with a looming presidential election early next year.”

JTResi has also been spreading its wings a little. For one, it has just bagged an appointment to market the high-end, 600-unit The Pakubuwono Residences that will be developed on a five-hectare site in the Kebayoran area of the Indonesian capital.

The firm is also eyeing marketing exclusive landed residences in Shanghai costing some US\$5 million each to wealthy Indonesians, Mr Tan revealed.

JTResi made a tiny net profit for the year ended October 2002 after dishing out most of its earnings to partners and staff — it has six employees in Singapore and another six in Indonesia.

Despite any expansion plans, Mr Tan says: “JTResi will always be a boutique operation. I don’t expect to compete with any of the big or interna-



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— Jerry Tan

tional names. Our success is very small compared with any of them. I am not anywhere near having built a wonderful and successful business. This business was started with a lot of humility and there’s nothing special about having discovered a niche for myself. It’s just that I capitalised on what I do best in the most dire of situations.”

Mr Tan hopes his experience will provide encouragement to other Singaporeans in these tough times.

“I want to be an inspiration to people who have talent but are just being overwhelmed by too much bad news at the moment that they cannot see straight,” he says. “My message is: As long as we’re alive, there is hope. We just have to meet our adversities head-on in the sense that we have to believe in ourselves and do what we do best.”