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PROPERTY

## Longton's Wang sees bright Futra with 'no sense' in defaults



Longton Property Group founder Wang Jianguang. Picture: Hollie Adams

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Sydney-based developer Longton does not expect buyers to default at its first apartment project, with its China-born founder and chairman Wang Jianguang suggesting more funds will inevitably flow out of China for investment in Australian property.

It's all about entering the right market at the right time, says Wang while celebrating the completion of the 55-apartment Futra project near the Sydney International Airport.

"I haven't heard of any default in Futra, mainly because we sold them at prices much lower than today," Wang says, noting most buyers are local.

But even for the 20 per cent overseas buyers, Longton is not concerned about their capacity to finance settlements, which are just starting.

"Given the prices have appreciated, it just doesn't make sense for them to default now," Wang says. "Most of them are quite well-off, and some are paying cash. They will try their best to settle.

"Buyers don't have to go with the big four banks. There will be other banks and financial institutions to fill the funding gap."

As for his home country, which contributes the bulk of overseas buyers in Australia, Wang predicts that money will continue to flow out of China, especially after major Chinese cities rolled out new measures recently to curb the home-buying frenzy in a bid to cool prices.

"With these tightening policies in place, I am sure many funds will transfer from the property market to other sectors, and a significant portion of those will flow to Australia properties."

"There is never a bad time to buy properties in Sydney," he adds. "As you can see, there has always been a trend of (prices) going up over the past 40 years. You might see some slight oscillations sometimes, but in the long term property investment will be very solid."

It is the same conviction that has brought Wang from Qingdao, a coastal city in China's east, to Sydney.

He started to look for investment opportunities in Australia in 2011, as a representative of his father's company that has dealings in mining as well as property. After inspecting various mines, farms, chateaus as well as hotels, Wang settled on Sydney's property market as the place to be.

"I found the Sydney market very transparent and it is operated under very clear rules, which is what I like," he says.

"I understand the rate of return in property development here is actually not as good as China, but Australia is relatively a stable and steady market. I love the long-term aspect of it."

Wang set up Longton Property Group in 2012, just as the residential market started the latest round of rapid growth, and has since accumulated a pipeline of about 600 apartments in Sydney.

Apart from Futra, Longton is building the 220-apartment project in Roseville on Sydney's lower north shore known as The Uptown, in joint venture with Chinese developer Chiwayland, which will complete and settle next October. It has recently started the construction of another project, Avantra, near the airport that comprises 328 apartments due to complete in 2018.

Although Longton hasn't bought any sites over the past year, Wang says the company remains a "committed player" in Sydney. "We will continue our focus on the north, the east and a little bit northwest. The north will be our No 1 priority."



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