

14 April 2017, Friday  
CNBC, "Managing Asia" Programme

# Real estate in Asia could be set for a wave of evolution, Straits Trading chairman says

[Christine Tan](#) | [Cheang Ming](#)

Thursday, 13 Apr 2017 | 11:20 PM ETCNBC.com



The outlook for the global economy might be uncertain, but things could be picking up, especially in the real estate securitization space, the head of investment company [Straits Trading](#) said.

"The economic data is not as bad as people make it out to be. The U.S. data is coming out good, employment is picking up, Chinese data is improving," Straits Trading Executive Chairman Chew Gek Khim said.

"But like everything in investments (and) in business, you have a whole range of factors. You will never have everything going 100 percent," Chew told CNBC's "[Managing Asia](#)."

Straits Trading began as a tin smelting business, but it has shifted to become an investment company with a focus on real estate and hospitality. The company has stakes in Straits Real Estate, Far East Hospitality Holdings, ARA Asset Management and Malaysia Smelting Corporation.

Chew, a former lawyer, is also the granddaughter of the late Tan Chin Tuan, the prominent former chairman of the Oversea-Chinese Banking Corporation (OCBC). Tan's investment group acquired Straits Trading in 2008.

As for investing amidst political uncertainty stemming from Brexit and policy risks potentially arising from the new administration in the U.S., Chew's approach involves preparing for the worst and moving ahead when things go wrong — a strategy she adopted when making decisions during the global financial crisis.

"It's difficult. I mean, put simply, everyone has the same issues ... But like everything in life, it's risk and return. So you try and calibrate your risk and you need to make a judgement call," Chew said.

For now, Chew is bullish on the evolution of the property market in Asia, adding that Straits Trading can become a major player in the securitization of real estate.

Real estate investments are a substantial proportion of the company's earnings, contributing \$52.7 million of the \$67.3 million in profits made last year.

"What I'd like to do is to ride the wave of — or rather, potential wave, (as) not everyone may agree with me — of securitization of real estate in Asia," she said, highlighting real estate investment trusts (REITs), property funds and real estate-backed financial instruments as examples.

Going forward, the real estate market in Asia has more room to run, Chew said. "It's not just in terms of prices, but more in relation to how it evolves. Because as it evolves, you will need different instruments," she added.



[Christine Tan](#) Anchor, CNBC

[Cheang Ming](#) Special to CNBC.com