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Spiritually Yours

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You may detect a more laid back vibe to this month’s missive, perhaps a little of the tendency to rant has evaporated, replaced by an all together more pragmatic and sympathetic view of the world. The reason for this “new and improved chilled out me” is that I am writing this from beautiful Bali – the island of the Gods!

I love spending time on Bali and I still haven’t really put my finger on why. The beaches are not all that great – the volcanic black sand is not a match for the white powder sand of Koh Samui or Boracay or the Maldives for sure, and the local cuisine is really just okay (compared for instance to the culinary delights of Thailand or the gastronomic splendors of Southern India for example) and the nightlife leaves much to be desired unless you are a sub-eighteen year old and you have managed to ditch your folks back at the hotel and want nothing more than to throw yourself head first into the jungle

juice guzzling headiness, pumping baselines and drunken debauchery that has become the main drag in Kuta. Okay shopping for gorgeous things in Seminyak is definitely high on my list of “Things I like to Do”, and having a sunset cocktail at Ku De Ta or on the cliff top bar of the Bulgari Hotel is definitely “up there” too, and the temples are pretty amazing but all in all Bali remains rather a conundrum.

Leaving my over-analysis to one side, the main element to make a note of here is that I am definitely not alone in my love of this quirky and fascinating island. 2.3 million tourists arrived into Denpasar in 2010 which was a record year, and the figures out for 2011 already are showing a 17 per cent increase on 2010 year to date. So with the super peak season still to come, we can safely say that Bali is totally back in vogue.

So what was I doing on Bali, besides getting all soft and fluffy and being a nice, calm person instead of a hectic Hong Kong diva? I was working on a new project. You see with established locations such as Bali, there are usually markets within markets and Bali is no exception. The areas of Seminyak, Kuta, Nusa Dua and so on are already pretty developed with land and property prices already at such a height investors are finding that there is not much room to maneuver northward in a hurry. So properties and land in these places really must be considered as lifestyle purchases as opposed to serious investments. Also real estate in these already popular areas are typically sold with fairly paltry lease terms too, with

local land owners giving as little as a 30 or 50 year lease – which in my book constitutes a depreciating rather than an appreciating asset. So a few years ago I ventured west along the Balinese coast, past Canggu, past Tanah Lot, and into the gorgeous and naturally dazzling province of Tabanan.

Working with some very experienced Dutch developers we built a villa retreat of 27 luxury properties, all of which have doubled in value since our earlybird investors purchased. During the time we were building, a new villa came onto the rental and property market, very close to our project. This villa was exactly the kind of neighbour a smart investor prays for – a 15 bedroom estate complete with helipad, tennis courts and all mod cons. It sleeps up to 30 guests and rents for approx US\$6000 a night and is on the market for a cool US\$13 million.

When we look at a destination it’s often much more interesting (and profitable) to take a closer look for pockets of activity in areas that may at first glance appear to be a little bit leftfield. I always ask myself when analysing a possible property investment (either for myself or on behalf of clients), “what are the business drivers here? Why does this make sense, and why now? What is happening that is going to cause a surge in demand, and/or a rise in prices? What is the compelling argument behind this opportunity?”

In Tabanan it’s easy to answer these questions - land prices here have been doubling every 18 months since 2006. Contrary to places like Kuta, Seminyak and Canggu, good deals are still to be had and with the region’s finest resort groups investing colossal amount of money into this province, it’s great to have this kind of “safety in numbers”. Ommmmmm!!



Claire Brown

formed Claire Brown Realty in 2004 having worked for various developers across South East Asia. Her roles included sales and marketing, project management, construction planning and consultancy. As well as running the business, Claire is also developing

her own project in Bali, a luxury villa and spa retreat in the beautiful and somewhat undiscovered province of Tabanan. She enjoys travel, food and wine, interior design and shopping – in no particular order.
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