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# PROPERTY life

ASIA'S NUMBER 1 PROPERTY GUIDE • JUNE-JULY 2012

房产世界

*your*

## DREAM HOME

THAILAND • INDONESIA • UNITED KINGDOM  
MALAYSIA • AUSTRALIA • USA • FRANCE

+ IP GLOBAL'S

**TIM MURPHY**

WHY ASIA IS THE PLACE TO  
INVEST OVER THE NEXT DECADE

**FENG SHUI**

WHY THIS ANCIENT ART  
AFFECTS PROPERTY PRICES

**WHAT PROPERTY  
DOWNTURN?**

**10** BEST  
PERFORMING  
MARKETS

**DESIGN VIRTUOSO**

KENNETH COBONPUE'S FURNITURE  
CONQUERS THE WORLD



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#### PROPERTY BASICS

Strong domestic demand and robust economy drive Indonesia's booming property market.

#### RENTAL YIELDS

**10-13%**

#### PRICE INDEX

**5.1%**

(annual price change to Q4 2011)

#### PRICE

**\$1,781**

(per square metre)

#### RENT PER MONTH

**\$1,819**

(120-square-metre property)

SOURCES: Global Property Guide, Knight Frank

Bali also received the Best Island award from US-based *Travel + Leisure* during the magazine's 'World's Best Awards' in 2010. According to many polls, the island's main appeal is its sheer natural beauty – looming volcanoes and terraced rice fields – combined with luxurious resorts and exciting nightlife. A survey conducted by BBC Travel in 2011 ranks Bali as the world's second best island after Santorini.

#### LOMBOK

Similar to its more famous sister, tourism is an important source of income for Lombok. However, the island is also marketed as unspoiled Bali, making it a popular choice for travellers who prefer solitude to glitzy nightlife.

The island's more developed tourism area is on its west coast, in the town of Senggigi, where a large number of hotels and resorts offer

accommodations that range from budget to upscale. Other tourist destinations include Mount Rinjani, Gili Bidara, Gili Lawang, Narmada Park and Mayura Park and Kuta (distinctly different from Kuta, Bali). The latter is famous for its beautiful, largely deserted, white-sand beaches.

For the sporty types, south Lombok surfing is considered one of the world's best.

The northern west coast near Tanjung is where new upmarket hotel and villa developments are located, which will complement the already existing five-star resorts and a large golf course already established there.

#### BINTAN

Located 45-50 minutes from Singapore across the South China Sea is the island of Bintan, whose economy, centred on tourism, received a major boost after Singapore initiated the SIJORI Growth Triangle



in the 1980s and signed agreements with the Indonesian and Malaysian governments to invest in Bintan and the neighbouring Batam. Investment plans were outlined with the basic intention of providing leisure space to Singaporeans on the island's long stretches of white-sand beaches.

Today, the most prominent of the island's properties is the 300-hectare Bintan Resorts. Plenty of other developments are in the works as well, ensuring that the 2,402-square-kilometre island will not run out of prime properties.

#### BATAM

Like the neighbouring Bintan, Batam's proximity to Singapore gave it economic advantage, which transformed this largely forested island to a major harbour and industrial zone. The island, with its low labour costs and special government incentives, is also the site of many factories operated by

#### ▲ ISLAND LUXURY

Batam may not ring a bell to luxury-property hunters, but that's going to change with the opening of KOP Group's Montigo Resorts. Located just 20 km off Singapore's south coast, the development offers villas for just about a tenth of the price of similar properties in Singapore.

#### ▶ LAKE OF HOLY MOUNTAIN

Located along the shores of Lake Bratan in the mountains near Bedugul in central Bali, the temple of Puna Ulun Danu Bratan is dedicated to the lake and river goddess Dewi Danu.

Singaporean companies. Shipbuilding and electronics manufacturing are its major industries, while resorts and tourist destinations are scattered on the island's north-western coast.

With Indonesia's economy poised to perform well in the coming years, developers are cashing in on the archipelago's promising outlook, as evidenced by the scores of developments currently underway in many of its islands.



#### HOW TO BUY

INDONESIA BOASTS of a booming real estate market mainly due to its growing economy and strong domestic demand. Indeed, there is an increasing demand for properties, especially for quality units in residential complexes. This is particularly true in the capital Jakarta and the resort island of Bali.

Although foreigners technically are not allowed to own freehold land, there are legal, commonly used ways to get around this. Foreigners can also own condominiums as long as they don't own the land on which the structure stands.

As with all foreign property purchases, having the service of a local lawyer or solicitor is very important when buying property in Indonesia.

The Indonesian government issued Law 5 of 1960 on the 'Basic Regulation of Land in Indonesia' ('UU 5/1960'), which came into force on 24 September 1960. It recognises and regulates several rights over land and houses, including the Right of Ownership (*Hak Milik*), Right to Cultivate (*Hak Guna Usaha*), Right of Building (*Hak Guna Bangunan*), Right of Use (*Hak Pakai*) and Right of Building Lease (*Hak Sewa Atas Bangunan*).

