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Issue 14 MAY 2008
S\$6, RM34, IDR40,000, THB100, HK\$40

Bintan's residential opportunities

By John Higginson

Bintan island is best known as Singapore's most convenient resort destination, but the Indonesian island is now set to incorporate luxury names following the launch of the Banyan Tree Residences in Bintan and the release of the masterplan for the Lagoi Bay mixed-use development. Bintan is less than an hour's ferry ride from Singapore and just

35 minutes from neighbouring Batam island.

The Banyan Tree Residences in Bintan are one of several launched by Singapore-listed Banyan Tree Holdings Ltd, which also announced properties in its resorts in Phuket and Bangkok in Thailand, Lijiang in China and the Seychelles.

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Bintan's residential opportunities

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Stay in style: Pool villas are among the new Banyan Tree Residences include pool villas on the Indonesian island of Bintan, a ferry ride from Singapore.

Banyan Tree Residences is targeting the type of top-tier travellers and investors that frequent the Group's range of 21 hotels and resorts in city, beach and mountain resort locations, as well as its 58 spas and two golf courses, including the Greg Norman-designed 18-hole layout in Bintan.

"Everyone's moving to branding to differentiate their residences, but Banyan Tree is a pioneer in the fact that we only sell residences once our resorts are operational, so potential buyers can see and know exactly what they're getting. We don't sell real estate to finance the building of the development," Paul Chong, Assistant Vice President, Business Development, Banyan Tree Hotels and Resorts, told *Property Report*.

"Branded properties usually charge a 25-30% premium, but investors should make sure they know what they're paying for, and in this sense Banyan Tree has established its reputation for delivery quality and luxury. Banyan Tree is vertically integrated, so all our architects, interior designers and marketing work side by

side." Banyan Tree Residences have been conceptualised and designed by Architrave Design and Planning, Banyan Tree's in-house architectural arm.

The Banyan Tree Residences concept is to allow investors to buy their own villa, townhouse or apartment that becomes part of the inventory of the resorts. Owners receive an annual guaranteed return of 6% per annum for six years, with options to renew or share in revenues generated by the property.

"Banyan Tree Residences enable investors to diversify their portfolios while receiving guaranteed returns, without worrying about managing the property when they're not there," explained Richard Skene, Assistant Vice President, Banyan Tree Residences. "Of course all of our owners enjoy the lifestyle benefits which have become synonymous with the Banyan Tree Hotels and Resorts brand."

Owners are entitled to 60 days' complimentary use of their residence every year, membership at the exclusive Banyan Tree Residence Club and access to the Banyan Tree Private Col-

lection, Asia's first Destination Club. Banyan Tree properties include maintenance, cleaning, landscaping and security, while owners enjoy access to hotel amenities and services.

Open exhibitions of Banyan Tree Residences will be held in London on June 1-2, then in Hong Kong on the weekend of June 16-17 at The Landmark Mandarin Oriental Hotel.

Lagoi Bay targets investors

Bintan is also the subject of fresh interest from investors and resort operators following the release of the masterplan for Lagoi Bay. An integrated resort development, Lagoi Bay will feature further resorts but also residences, shopping outlets, restaurants, and entertainment and sea-sports facilities.

Situated on the island's north coast, Lagoi Bay is located within Bintan Resorts, the expansive integrated beach resort destination that currently includes 10 resorts, including Banyan Tree and Angsana. The Lagoi Bay site, a 15-minute drive from the international ferry terminal, is about 1,300 hectares in size.

A total of 33 sites ranging from 2,000sqm to 19 hectares (190,000sqm) is being offered in the first phase for a variety of uses, including residential, resort and commercial developments. All sites have close proximity to the beach and road access, and will be served by power, potable water, telecommunications, sewer lines and solid waste collection.

With the number of visitor arrivals to Bintan island targeted to reach one million by 2012 from the current 320,000 and growing awareness of Bintan as a resort destination, occupancy and average daily rates are both expected to rise, increasing the potential for investors to generate significant returns.

"Given its close proximity to Singapore, Bintan is well positioned to tap into the more than 9 million leisure and business visitors who come to Singapore annually. This number is expected to reach 17 million by 2015," said BG (Ret) Chin Chow Yoon, Vice President Director, PT Bintan Resort Cakrawala, a subsidiary of Gallant Venture and the master developer, planner and operator of Lagoi Bay.

"With Bintan Resorts' efficient and modern infrastructure and wide range of world-class attractions ranging from award-winning golf courses, miles of white beaches to brand-name spas, we're confident the Lagoi Bay development will provide an opportunity for investors seeking to tap into the global demand for an international-standard resort destination."

The new Lagoi Bay site is expected to receive strong interest from developers looking to build on Bintan's strong tourism infrastructure, where the top-class resorts offer golf, spa, watersports, and nature and culture tours. Bintan is also building on not just visitors from Singapore, but tourists looking for both city and beach resort attractions during their visit, Bintan acting as a 'twin destination'. 