

COVER STORY Stephen Nicholls

Your own slice of paradise

Despite everything, Australians do buy in Bali – attracted to the beauty, lifestyle and people.

The financial crisis has had an impact and some luxury villas have had price drops of 30 per cent.

The holidays are well and truly over. Surely, everyone will be back at work on Monday ... if they've still got a job. With the financial situation so grim, many people will wish they could move to a tropical island to see out the rest of the year.

What about Bali? OK, so there's been the Schapelle Corby and Bali Nine dramas, terrorist attacks, executions, threats of reprisals, security warnings, rapes and murders, even a rabies scare and a booze shortage recently but Australians do buy property there.

"There's a whole heap of Australians," says Charles, a Sydney caterer who bought land in Bali several years ago and intends to build a villa.

"I just fell in love with the island, the people, the scenery and the fact it offers such a relaxed lifestyle ... and no one's going to deny having cheap household help can swing the deal."

This opportunity to live in the lap of luxury, complete with staff, at a relatively affordable price has transformed the Bali tourism market in the past decade – particularly around Seminyak, a haven for upmarket restaurants.

Some love it so much, they want to own a place in Bali for holidays, to rent out and eventually live in. Despite the 2002 and 2005 bombings, by last September, when Domain visited, agents said buyers were more concerned about movements in the dollar than terrorism.

Phone calls this week, though, revealed the financial crisis has had an impact and some luxury villas have had price drops of 30 per cent.

"We have a number of foreign owners who have lost money in the stockmarket and they need liquidity," says Mike Pugh of Exotiq Real Estate in Seminyak.

Last year, when the Australian dollar was strong, nearly half his sales were to Australians.

"Especially when it went above 90 [cents to the US dollar] we had a mad rush of people coming to buy," he says. (This week, it was 66 cents.)

Even now, some of the villas – especially with the price drops – look appealing. Particularly if you're still employed or have a healthy



IF MONEY'S NO OBJECT ...

Alila Villas Uluwatu
Three-bedroom villas priced from \$3.3 million.
Contact Mira.Sawitri@ap.jll.com

... OR FOR THE REST OF US

All prices converted to Australian dollars. Contact for the three villas below is Exotiq Real Estate, Seminyak (62) 81 999 07 5335.



Three-bedroom Kerobokan villa.
Was **\$528,000** Now **\$377,000**



Two-bedroom Seminyak villa.
Was **\$694,000** Now **\$483,000**



Three-bedroom Seminyak villa.
Was **\$618,000** Now **\$498,000**

redundancy cheque. Most of the foreign buyers in Bali are so rich they don't need to borrow from a bank, which is fortunate since it's impossible to get a loan either within Indonesia (unless they marry a local) or at home. There are also restrictions for foreigners buying freehold, though they can easily buy leasehold. Many keep quiet about their purchases for tax reasons.

"Bali is a cash market and there are no subprime mortgage meltdowns here and there are no bankruptcies or foreclosures, the only problems are that some of the developers have got their initial funding from foreign banks, which is proving difficult for some," Pugh says.

Mira Sawitz of Jones Lang LaSalle says the financial crisis has had an impact.

"Inquiry is slowing down and clients who were hot prospects have decided to postpone their decision to buy anything," she says.

LUXURY AT A DISCOUNT

Tourist numbers to Bali crashed after the second bombing but reports indicate they rose to a new high last year. A record 33,000 Australians

travelled there last July and despite arrivals dropping off in November due to the executions of the 2002 bombers, by December flights were apparently "chockers" on Garuda and Jetstar.

"The market's been a good one, which very much returned after the tragic effects of 2002," Jetstar spokesman Simon Westaway says.

Security in Bali appears tight these days. All vehicles entering the five-star villa complexes and exclusive restaurants of Seminyak are stopped by security guards. Sniffer dogs are common and guards line the hotels and restaurants along the beach.

During Domain's visit, it was interesting to note the seemingly endless row of villa complexes competing for business around Seminyak – and much more, such as the beachfront W Hotel under construction – yet operators were insisting they were all full. Just a few kilometres from the bomb blasts, Seminyak has become famous for trendy restaurants such as Ku De Ta, Australian-owned La Luciola and new kid on the block Sarong, owned by former Longrain chef Wil Meyrick.

Life. Style.

Advax is at the centre of one of Sydney's most dynamic, diverse and liveable neighbourhoods.

Rushcutters Bay. Paddington. Woollahra. Darling Point. Darlinghurst. Double Bay. Each unique and each close by.

Eat. Drink. Run. Walk. Sleep. Shop. Watch. Taste. Think. See. Feel. Live.

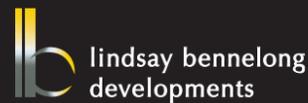
1, 2 and 3 bedroom apartments and penthouse residencies in the heart of beautiful Rushcutters Bay – Now for sale.



ADVANX RUSHCUTTERS BAY

Display Suite Open: Wed, Thur, Fri, Sat, Sun. 10am - 3pm
44-46 Neill Avenue, Rushcutters Bay
Craig Pontey 0419 40 40 40 Doug Taylor 0417 04 88 83
Ray White Double Bay Group **9776 8888**

advanxapartments.com.au



004715