

Unspoilt on the beach (so far)

By John Aglionby

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Amanda Zsebik, an Australian accountant, admits it required “a moment of madness” for her to buy her first parcel of land in east Bali’s tranquil Karangasem district: 1,000 sq metres in a shady coconut palm grove overlooking the azure seas of the Lombok Strait in Mendira village.

“I was up here without my husband,” she says. “I saw the land. I liked it. Then I saw [property developer] Adrian [Borriello] and I bought it.”

It is not hard to see why the Sydney resident questioned her sanity at the time. She made the purchase in December 2005, two months after the Indonesian island had been hit by its second multiple bombing in three years. Tourism, which by mid-2004 had recovered from the first terrorist attack, was plunging rapidly back into the doldrums.

Moreover, the south coast of Karangasem, which most people call Candidasa, after the village that has seen the most development, had its own disincentives, including the fact that it was nearly three hours by car along winding roads and through congested villages from Bali’s airport. There was also a shortage of infrastructure, particularly for upper-end visitors.

But times have changed and now Zsebik’s “mad” punt is looking increasingly like visionary brilliance. A new road, which locals call the “eastern bypass”, was opened last year and has not only cut the airport-to-Candidasa travel time by half but greatly reduced the journey’s stress. The government has already started widening it into a dual carriageway and plans to extend it to within 5km of Candidasa itself, which will make the area even more accessible.

“It’s causing a sensation,” says Borriello, who is one of the largest developers on Bali’s east coast. “Its impact can’t be overstated.”

The area is already seeing increasing numbers of people looking for the so-called “real Bali”, having decided that the traditional visitor magnets – the southern districts of Kuta, Legian, Seminyak and Sanur, as well as Ubud, the cultural capital – are overdeveloped and overcommercialised.

“It’s so beautiful, so quiet and so cheap,” says John Stainstreet, a British businessman who bought 420 sq metres of beachfront land for Rp300,000 (£17) per sq metre in Jasri, a village a few kilometres up the coast from Candidasa, and expects his house to be ready “any day”.

“People still respect each other here,” he says. “You can go out and leave your house unlocked. In Kuta and Legian you get serious crime.”

Candidasa satisfies those searching for more authenticity because it has everything people expect to find on the “island of the gods”, as the Balinese like to call their home. “It’s the only part of Bali that’s got volcanoes, rainforests, rice fields and ocean in the same place,” Borriello says.

And in addition to the breathtaking rice terraces, white-sand beaches and clear seas teeming with marine life – all in the shadow of Bali’s highest volcano, Mount Agung – the area is close to numerous cultural spots, such as Besakih, the predominantly Hindu island’s most prestigious temple, and two water palaces.

“[Candidasa and its surroundings] will never be the next Ubud but it will become more residential as people find their ‘piece of Bali’,” says Chrissie Lincoln, sales manager at Amankila, the area’s one luxury hotel.

The region is not trying to become a mere extension of the south, adds Gusti Lanang Rai, Karangasem’s deputy regent. “Here the character of the area is more about culture so we want future development to reflect this, to be more spiritual. Our greatest concern is to protect the atmosphere. We don’t want any development programmes to ruin it. Nightclubs are for Kuta; we have to protect our history.”

To ensure this, only three areas, including Candidasa, have been earmarked for hotels and holiday homes. And developers can only build on 30 per cent of any land they buy.

There are now fewer than 260 rooms in star-rated hotels and three dozen villas in the Candidasa area. But everyone, from government officials to developers, expects the villa figure to increase rapidly in the next few years.

"When this place picks up it really will pick up because it's a place you fall in love with," says Kevin Sinclair, who gave up his telecommunications job in central London to buy and run the Water Garden resort in the centre of Candidasa almost four years ago. "We have guests coming back every year. They love the tranquility."

Zsebik, who bought the 724 sq metre plot between her original property and the beach in 2006 and has built two villas, agrees. Down the coast from her land building work is under way on a 4,500 sq metre plot that was bought by a group of Norwegians living in Shanghai.

"I met them on New Year's Eve and invited them to see my property," she says. "They loved the area so much the next thing I know is that they've decided to buy enough land to develop three villas."

Low prices are certainly a major consideration in helping potential investors make up their minds. Stainstreet's Rp300,000 per sq metre is about 80 per cent lower than the cost of land at beachfront locations in southern Bali. Construction and furnishing costs for a "very decent but not overly luxurious" villa are about Rp100m, according to Zsebik. But Borriello says top-of-the-range properties are soon likely to be selling for 10 times that amount. "I can sell the same property in Candidasa for much more than I can in the south because there's a demand for the quiet life," he says. "I expect this to become an elite area."

Statistics show just how quiet the life is in Candidasa. According to Indonesia's Immigration Office, out of the 1.2m foreign tourists who flew directly to Bali last year, fewer than 5,000 visited Karangasem.

Most villas are based on the traditional Balinese house style of several pavilions surrounding a courtyard, although the centrepiece of just about every modern property is a swimming pool. One pavilion comprises the bedrooms, another the living room and a third the dining room.

Rental prices remain low. Zsebik charges \$29 a night per person if all six beds are taken, including 24-hour security. This is a world away from the likes of Seminyak, considered the Beverly Hills of Bali, where prices are usually several times that.

The other advantage Candidasa has over the south is that there are likely to be more permanent or semi-permanent residents there. Stainstreet is on a retirement visa and Zsebik reckons she's going to spend a third of the year in Mendira. The current average visitor age is a little over 40, according to hoteliers – probably 15 years older than in the Kuta-Legian-Seminyak area – but that is likely to drop as the bypass encourages more people to venture further afield from the southern hot spots.

The fear of terrorism still lingers, however, even as the Indonesian government clamps down on extremists.

"The first bombing [in October 2002] stopped tourism 100 per cent," says Borriello. "It was a full stop, not a comma. It was 10 months before any business started moving. The second bombing didn't have such a severe effect; people expected it to a certain extent. But it's taken longer to get over."

Everyone accepts that a third attack would probably be catastrophic.

"Nothing is certain in life and terrorist attacks now happen all over the world," says Stainstreet. "I mean, Australia has a higher travel warning for Bali than the UK. But if you're wanting somewhere gorgeous and quiet, off the beaten track you can't really go wrong here in east Bali."

Another worry is the lack of planning regulation enforcement in spite of the official line about controlled development. Buildings are officially not meant to be higher than a palm tree and any villa is not meant to comprise more than five buildings. But, Zsebik says, "anything can be done with the appropriate donation to the local temple". So far, though, there is little sign of egregious violations.

Zsebik's other concern is that villagers might want to turn a quick profit by selling a lot of land to investors without considering issues such as the region's inadequate infrastructure. "I'm continually explaining to the people in my village that if they're not careful they're going to end up having masses of effluent polluting the sea," she says. "We've got to make sure this place is not ruined by greed."