

01ISLANDS PRESENTS

SUMBA



BUSINESS WITH A CONSCIENCE



PARADISE ON EARTH



REAL-ESTATE & DEVELOPMENT

ATE DALO

SUMBA BARAT DAYA

-2017-

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TABLE OF CONTENTS



5

SUMBA



25

LAND DEVELOPMENT



40

INDONESIA

5

SUMBA

Quick facts
Culture and nature
Health facts
Roads and transports

10

TOURISM

Nihiwatu Resort
Flights to and from
Sumba

14

SUMBA CLEAN ISLAND

16

HUMANITARIAN

18

PRESS REVIEW

26

REAL-ESTATE IN SUMBA

Sales evolution
Land price evolution
Land development

34

BUYING IN INDONESIA

Buying using a PMA
Property purchasing
process
Notary Honorarium

41

GENERAL

42

ECONOMY

44

NUMBERS & FACTS

45

TOURISM

46

REAL-ESTATE IN
INDONESIA
Investments
forecast



A FEW WORDS ABOUT US,

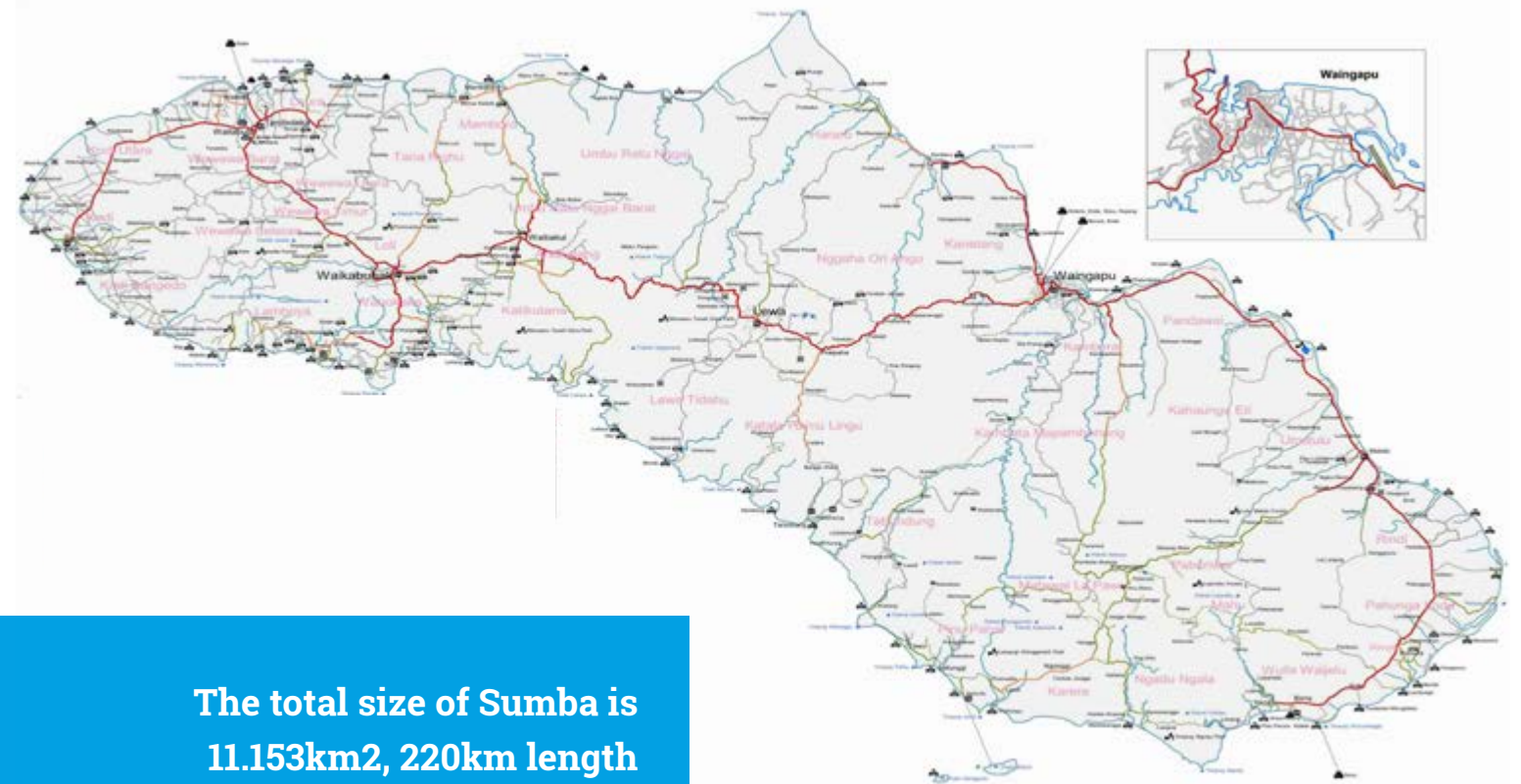
OUR OFFICE IN SEMINYAK

Looking for information about Sumba? Our office is open from Monday to Friday. Do not hesitate to drop by, our team will be happy to assist you.

WE are a Bali based real-estate development group. Unlike brokers, we own all the properties that we sell and go through the complicated and lengthy process of certifying the land. This enables us to give our clients 100% safe investment opportunities.

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SUMBA



The total size of Sumba is
11.153km², 220km length
and 80km width

WHAT'S going on over there? Sumba island is located between Sumbawa and Flores to the North and the Indian Ocean and Australia to the South. The Island is located in the southern part of east Indonesia and is part of the Lesser Sundae Islands (Province of Nusa Tenggara). Sumba is divided into 4 administrative districts: West-Sumba, South-West Sumba, Central Sumba and East Sumba.

**TOTAL SIZE OF SUMBA: 11.153km²
WHICH REPRESENTS TWICE THE SIZE
OF BALI**

Recently the town of Tambolaka had its airport totally renovated. It has now become the main hub for tourists coming to visit Sumba.

POPULATION: >685 184 INHABITANTS

Capital: WAINGAPU

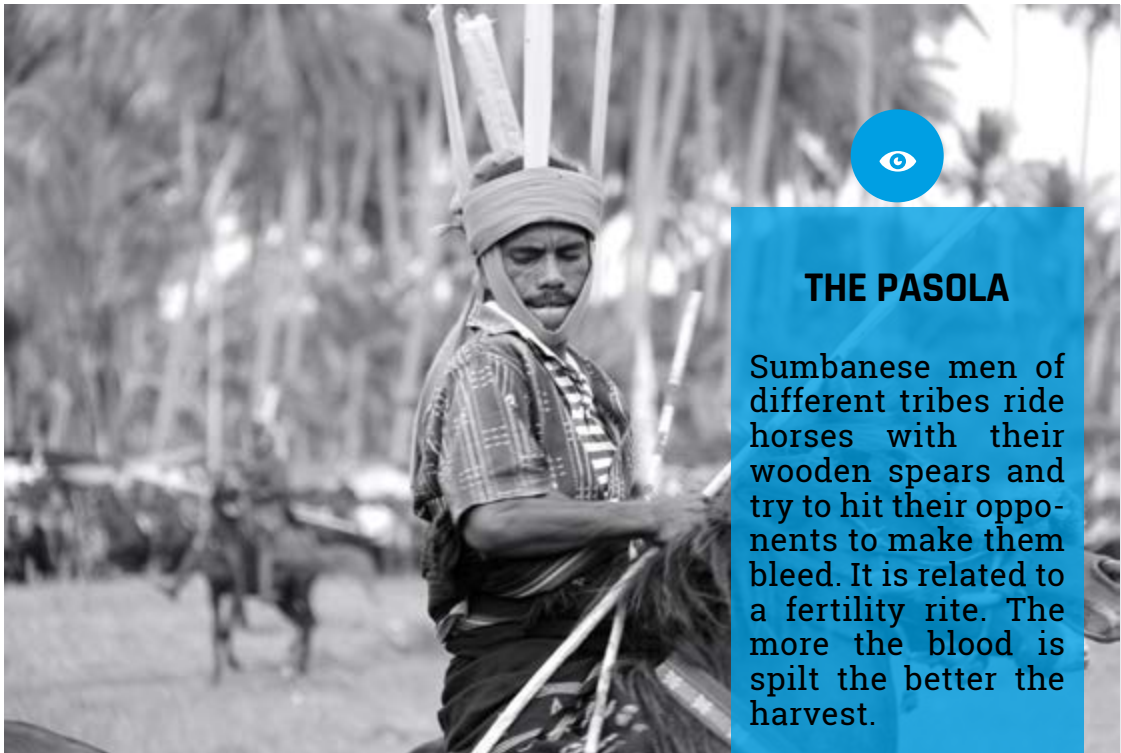
Religion: CHRISTIAN (90%)

MUSLIM (10%)



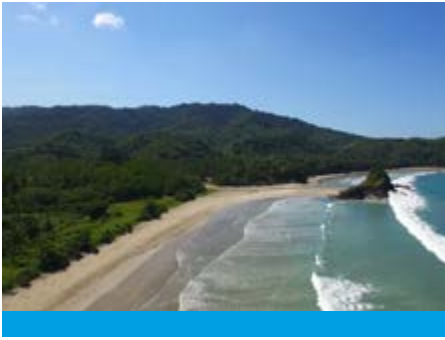
AUTHENTIC ARCHITECTURE

The people of Sumba mostly speak the Kambara language, and the Mamboru. It is established that at least 16 different dialects are talked among Sumbanese people. Sumba is famous for its game/ceremony called Pasola, played by the people to celebrate the rice-planting season. The dry season goes from May to November, the rainy season from December to April. The land is more fertile on the west side of the Island although the extreme top coast is relatively dry. This is why the west part is also more populated than the east part of Sumba.



THE PASOLA

Sumbanese men of different tribes ride horses with their wooden spears and try to hit their opponents to make them bleed. It is related to a fertility rite. The more the blood is spilt the better the harvest.



NATURE

Thanks to its amazing and specific fauna and flora, Sumba has been categorized «The Sumba deciduous forests eco-region» by the World Wildlife Fund. Sumba offers a mixture of plants and animals of Asian and Australasian origin.

The island is rich in bird-life (almost 200 species of birds) of which seven endemic species and a number of others are found only here and on some nearby islands. Sumba's landscape differs from other islands like Bali or Lombok. It is rather low, with limestone hills. By comparison with other parts of Indonesia marked out by high volcanoes, there are none in Sumba.



HORNBILL

The Hornbill bird is one of the endemic species living on the island along with the Sumba Boobook Owl, the Sumba Button-Quail and the Red-Naped Fruit-Dove



HOSPITAL

THE SUMBA FOUNDATION

"The foundation (...) impacts and supports around 120 square miles around the hotel and has directly reduced malaria infection rates by 85% in the 400-plus villages in that area. There are now five health clinics as well as malnutrition programs in the area, created from some of the approximate \$5 million donated to the foundation so far. The foundation supports several schools and has built more than 60 water wells and around 250 water stations." source: www.cnn.com

HEALTH FACTS

Long time considered as part of the poorest area in Indonesia with a lack of decent health care, the situation in Sumba tends to change thanks to humanitarian organization help, and government awareness willing to improve people standard of living

Some may still be perplex regarding the malaria situation in Sumba as the disease can still be found in some very poor areas of South East Asia due to the poor conditions of living of its people and the lack of sanitary means.

HUMANITARIAN ORGANIZATION

But for almost 10 years, humanitarian organizations

such as « **Sumba Foundation** », « **Save the Children** », « **SurfAid Sumba** », « **Bill and Melinda Gates Foundation** » amongst others,

have help fighting this disease by financing the education of people about Malaria, the training of nurses, the importation and

implementation of material and emergency facilities for diagnosis and treatment, and by reducing the number of infectious mosquitos. Today, West Sumba is **free of Malaria** and east Sumba is on its way to solve the problem.



A new hospital among the three others already settled in West Sumba will soon be ready to welcome an important number of patients, and provide them with better treatments and cares



ROADS & TRANSPORTATION

Sumba roads are currently being upgraded and the government has made significant investments to create brand new roads to cater for more and more traffic. Everywhere around the island tarred roads are being built and improving the network and better access to remote locations. It is now more easier to travel by car around the Island, especially west-Sumba.

**Extra large gravel road
connecting Tambolaka to beach
front land in the north**



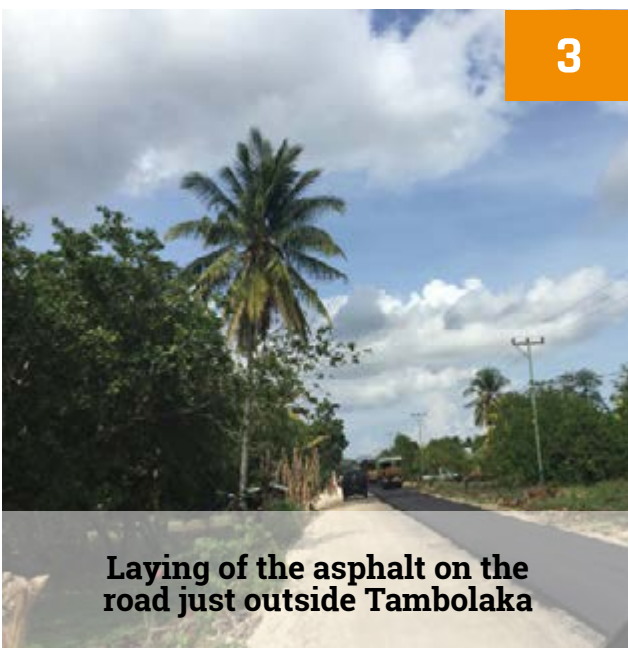
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01islands car



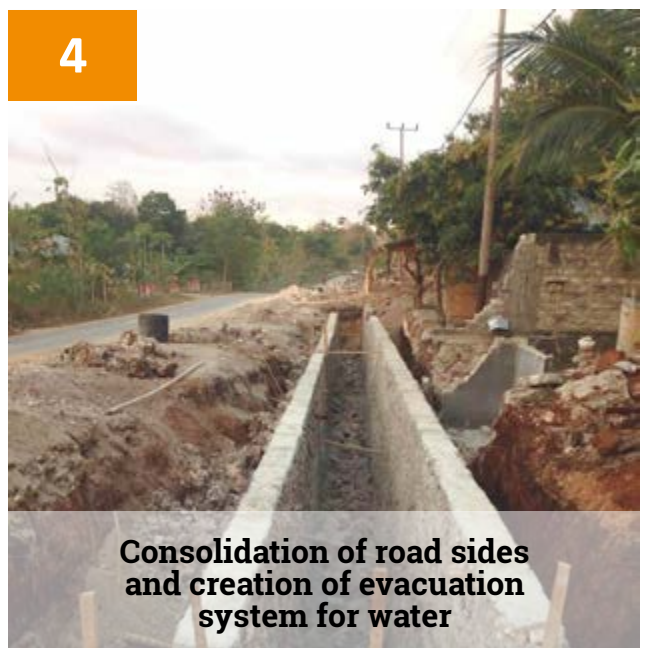
2

3



**Laying of the asphalt on the
road just outside Tambolaka**

4



**Consolidation of road sides
and creation of evacuation
system for water**



TOURISM

LEFT AND BELOW

Young men riding horses during a Pasola celebration and a surfer on a South Sumba beach



TOURISM

Sumba is the perfect island for tourism. It has the beautiful landscapes, amazing beaches, the best waves, and such a rich culture an history.

The over touristic islands of Indonesia such as Bali, Java, Lombok, Gilis, pushed the nature lovers towards the east. The number of tourists going to Sumba is growing every year. It is now reported to be around 10 000 tourists per year.



The wildness and beauty of the island has made it very attractive for tourism, and the Indonesian government is expecting more and more people to visit Sumba. The airline traffic is expanding fast, and Tambolaka Airport has just been renewed to welcome more travelers in its brand new facilities. The runway was also extended and lights are being installed along it to welcome night flights.

HEAVENLY EXPERIENCE

Nihiwatu located in south-west Sumba, is a world wide famous five star eco-resort, boasting a world class left-hand break. With a price per night starting at 900\$ the hotel offers a great standard of comfort, food, and activities such as spa, boat tours, surfing, diving, and safari tours in the luxuriant surrounding environment. This eco-resort is already well-known by nature lovers and surfers, and has taken part of the increasing fame of the Island. Nihiwatu recently extended with the opening of «Nihi Oka», its wellbeing haven a few kilometers away. Nihi Oka is a unique experience, where guests can be pampered for unlimited hours, have their lunch on the beach, or go to the Yoga Pavilion with its amazing 360° view, amongst other great things.



SAVE THE DATE!

On November 4th 2015, the world wide known-British Polo day competition took place in Nihiwatu. This event has been sponsored by Land Rover

ECO RESORT

NIHIWATU

In 2011, the Association of the Indonesia Tour and Travel Agency (Asita) made a statement reported by the Jakarta Post that they “are increasing a promotional and marketing campaign to introduce the island on the global stage (...) The island has magnificent natural beauty, as well as cultural heritage. It will easily become the country’s next prime international destination, (...)as the next Bali». The chairman of Asita declared on that same occasion : «The island also boasts magnificent natural beauty with white sandy beaches offering a panorama that no beach in Bali could surpass. Diving and snorkeling spots are abundant on the island’s northern shores, while its southern shores offer a challenging paradise for surfers”.

USEFUL LINKS

nihiwatu.com

1

View of the new Tambolaka Airport from the runway



2

Tambolaka Airport from the sky



FROM BALI TO SUMBA



New Garuda jet plane linking
Denpasar to Tambolaka Airport

A 45 MINUTES FLIGHT!

Garuda Indonesia, the national carrier has a daily flight from Bali to Sumba. It will only take you 45 minutes, enjoying the brand new jet CRJ-100 next-gen used by the company.

HOW TO GET THERE



The flight network is expanding quickly.

There are daily flights to Sumba from Bali airport, as well as from Kupang to Bali, with Garuda Airlines, Wings

Air, Transnusa, and Sriwijaya Air. Tambolaka Airport just got completely renovated. The new airport is now able to welcome a lot more passengers as well as bigger planes. It also underwent a total make-over, and is now super modern, with a nice sumbanese touch.



Check-in area
inside the new
Tambolaka airport





SOLAR PANELS IN SUMBA

"Solar energy on the island of Sumba in Indonesia. An island with one goal: 100% renewable energy within 10 years (an initiative by Hivos in 2011)."

Source: www.southpoleenergy.com

SUMBA CLEAN ISLAND

all eastern Indonesia. The Indonesian Government clearly takes a stance to make of Sumba a green energetic showcase for the rest of the world to see.

The Indonesian Ministry of Energy and Hivos organization signed an agreement to provide 100% renewable energy for Sumba Island. It is part of the ambitious program Iconic Island project Sumba, Climate and Energy campaign. This program aims to settle renewable energies over the island as hydraulics, solar energy and windmill amongst others. This program is partly

funded by \$1million technical assistance from the Asian Development Bank, to make renewable energy available for

HYDRO POWER

Installation of an hydro-powerplant and a meteorological tower (in order to collect wind data) in Sumba by the team of Innovative Wind Energy, Inc.



SHORT NEWS



On February 2015 the online media website **Bisnis.com** relayed the information that the Ministry of Energy and Mineral Resources (ESDM) of Indonesia, voted a IDR27 billions budget to develop a solar car program enabling 25 cars dispatched as public transportation in four regencies of Sumba Island

SUMBA HAPPENS TO BE EXTREMELY RICH IN NATURAL RESSOURCES

BIOGAS

HYDROLIC

SOLAR

WIND



RENEWABLE ENERGIES

Indonesian ministry of Energy signing the "100% renewable energy for Sumba" Agreement



SUMBA, THE GREEN SHOWCASE OF INDONESIA



METEOROLOGICAL TOWER

Helps defining the most windy areas for future windmill plan



SOLAR PANELS



HIVOS PROGRAMM RECEIVED THE GOVERNMENT GREEN LIGHT

WINDMILLS

Residents erecting a windmill in Kamang-gih village in Sumba, bringing electricity to the local community



GRAND

THE SUMBA
FOUNDATION
AUSTRALIA

**Sumba foundation
water tanks in Sumba**

NGO

HUMANITARIAN ORGANIZATIONS



The Sumba Foundation (US)

Its aim is to fight poverty, help develop education and health care, while respecting the culture and tradition of the locals. It is a Nihiwatu Resort initiative.

Hivos (Netherlands)

Acts for a sustainable development and improvement of the people living conditions.

Surfaid

This non-profit humanitarian organisation aims to « improve the health, well-being and self-reliance of people living in isolated regions connected to us through surfing».

Kopernik

Helps connecting the people living in remote locations to simple but necessary technologies.

Sumba Eye Programm

Provides eye clinics, eye care, equipment and surgeries operated by experienced surgeons, as well as training programm for future eye care nurses.

Sumba Hospitality Foundation

Creates the first Hotel School in Sumba. Gives access to young Sumbanes to education, formation and provide skills in the hospitality field.



SUMBA HOSPITALITY FOUNDATION

NGOs, working hand in hand with the government, have played an important role in Sumba development, health, education, hygiene, poverty, and ensuring an eco conscious de-

velopment of the island. Non-Profits like SUMBA HOSPITALITY FOUNDATION clearly brings a significant help to Sumbanese in the fast growing development of their Island. This organisation's goal is to offer young graduated Sumbanese

hospitality course and educate them about sustainability. Located in the north-west part of Sumba, they are building, a hotel school (in a sustainable bamboo structure), a restaurant and a few bungalows in order to have their

future students practicing their skills. An organic farm will also be built not only to provide healthy organic food to the restaurant clients, but also to educate students on the importance of sustainable farming.

Inge De Lathauwer
Founder and Chairwoman



Aloysius Purwa
Co-Founder and Board Member



On-going construction on the land of Sumba Hotel School from the sky



Structure of one of the Sumba Hotel School house



PAPER

PRESS REVIEW



Sumba in the national and international press

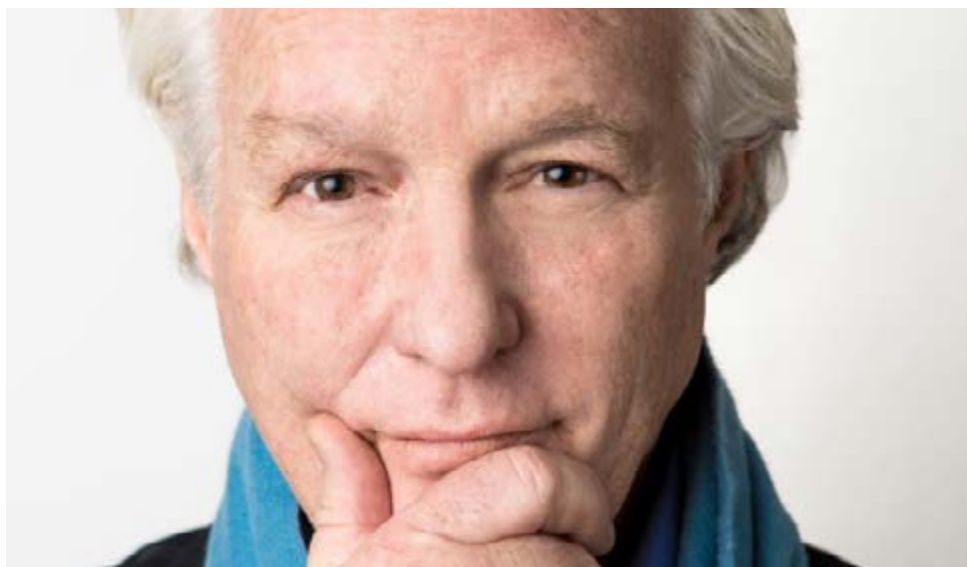
Australian Financial Review

Mar 26 2015 at 12:15 AM

Even by billionaire standards it's an impressive opening line: "When I was shopping at a flea market in Paris with Ellen DeGeneres last year ..." Chris Burch, American investor, entrepreneur and former husband and business partner of global fashion sensation Tory Burch, enjoys being candid. Especially about his celebrity friends – from Parisian shopping sprees with DeGeneres and her wife Portia de Rossi, to meeting singer Sting and wife Trudie Styler in a spa tub in Mexico, to hanging out with Kim Kardashian.

Sitting barefoot in the beach bar of Burch's 34-villa luxury Indonesian resort, Nihiwatu, with nothing but sand between your toes, it's difficult to imagine where you could wake up feeling better. Located on Sumba Island, 300 kilometres east of Bali, Nihiwatu overlooks a deserted, pristine coastline that's home to one of the world's best left-hand breaks, with swells of up to 12 feet. Captivated by its wild beauty and remoteness, Burch purchased the property in 2012.

This is the first in-depth media interview he's conducted at the resort, which nestles in the jungle, a five-star outpost perched on the southern tip of an island whose villagers remain fairly untouched by modern life.



Between buying, renovating and upgrading, Burch has sunk about \$US30 million (\$38.6 million) into the 227-hectare property. Paradise found it might be. (...)

When Burch was scoping the Nihiwatu project he called South African-born James McBride, whose vast hotel experience included managing the revered The Carlyle hotel in New York. «I was intrigued,» McBride recalls. «When I got here, I couldn't believe my eyes. I rang Chris and said: 'It's the perfect blend of Africa and Asia. It's Out of Sumba. Let's do it.'» A year later, McBride was the managing partner of the resort.

Burch and McBride have spent the past two years expanding and upgrading the villas to total 34. To complement the surfing, Nihiwatu has introduced mountain bikes, yoga and

horse riding – plus a spa safari during which your masseuse accompanies you on a morning hike to a breathtaking beach cove where you can enjoy a head massage and reflexology. A three-course breakfast is then served in the tree house. There are also local villages, Stone Age sites and a spectacular waterfall to visit. A keen polo player, McBride has signed up Nihiwatu to host a British Polo Day in November, when top-grade polo players will go up against the locals. Sumba's horsemen are world renowned but it's difficult to say what the locals will make of the event, sponsors of which include Land Rover, Hackett and Jaeger-LeCoultre.

Last year was very strong for Indonesia, as some 9.5 million visitors generated about \$11 billion in revenues. Tourism may be getting more attention in the nation of 17,000 islands, where oil production usually rules the economic roost. The Indonesian government's Tourism Master Plan calls for \$470 billion in both public and private investments in infrastructure. Hotels are already on board with investments on the luxury front in both resort development in Bali and in business oriented hotels in Jakarta.

Nihiwatu joined The Leading Hotels of the World. Located on the island of Sumba in Eastern Indonesia, Nihiwatu was developed with the intent to protect and preserve the culture of the island and to enable local residents to support themselves and their families. Through The Sumba Foundation, all profits from the resort are fed into various community-based projects, including access to clean water, four malaria clinics and malnutrition and school lunch program.

The resort also employs ninety percent of its staff from the nearby villages. The resort's 32 thatched villas are surrounded by more than 500 hectares of land. All have outdoor living areas, marble-floored bathrooms, private pools, and Indian Ocean views as well as such comforts as round-the-clock butler service, unlimited Wi-Fi access and quality cuisine.



**YOGA PAVILLION
IN NIHI OKA,
NEW EXTENSION OF
NIHIWATU RESORT**



This spring the resort has opened a range of new luxury villas as well as a Nihi Oka Spa. Sumba in Eastern Indonesia, just 240 miles East of Bali, is an outpost of world-class surfing, sport fishing, ancient villages and butterfly trails. It also offers the unique experience of stand-up paddling down the Wanukaka River.

PARADISE WITH A CONSCIENCE: NIHIWATU ON INDONESIA'S SUMBA ISLAND



By Andrew Demaria, CNN
Updated 3:37 AM ET, Mon September 1, 2014

«This has been voted one of the best left-hand breaks on the planet. But watch out for the reef if you get dumped -- try and shallow fall.» The surfing instructor knows who he's dealing with -- an uncoordinated, naturally ungifted sportsman on the wrong side of fit and very embarrassed at being Australian yet unable to surf. And totally in awe of the view back to the beach and surrounding coastline while floating impressively ungainly between wave sets. A scene like this, of the beach, gardens and hillside of the

unassuming Nihiwatu resort on Indonesia's eastern island of Sumba island, makes a morning of shallow falling (read: tumbling like a drunken cat in a washing machine) totally palatable.

The beauty is immense and the urge to dole out «paradise»-riddled cliches is equally immense.

Yet, there's something more tranquil about this setting, a sense of harmony in the way the resort blends in effortlessly with its surrounding even with this surfer wannabe in the frame.

UNDILUTED BLISS IN SUMBA



**Private dining at
Marangga Cliffside
Bale, Nihiwatu.
Courtesy Nihiwatu**



The story of Nihiwatu is one of both humanitarian efforts and unmistakable luxury. Located on Sumba, a 11,200 square kilometers Indonesian island that is inhabited by 700,000 people, the location for the resort was originally chosen by American builder and surfer Claude Graves and his German wife Petra in 1988. It took years of negotiations to get the rights from the tribal landowners to start building, but the hotel eventually opened in 2001, becoming fully operational in 2005.

Yet, despite investing time and money into the business, Graves and his wife even set up the Sumba Foundation, which provides locals with healthy school meals, better access to potable water and diagnosis of and treatment for malaria. Graves had always planned to sell. He eventually did in 2013, to American billionaire Chris Burch (ex-husband of Tory Burch), who visited Sumba on holiday, and James McBride, the former president of YTL Hotels and former general manager of the swanky New York hotel, The Carlyle. The duo joins the growing number of ultra-wealthy individuals, including billionaires such as Richard Branson and Dietrich Mateschitz, who have over the years begun to invest in luxury resorts located in some of the more remote places of the world. As for Nihiwatu, Burch and McBride embarked upon a \$15 million upgrade of the resort, set to be completed in July.

My first look around the resort is accompanied by McBride. A tall, lean South African who oversees the work and spends more time on site than his partner, he first leads me around the villas, some still in various states of completion. The resort is set on 560 acres – a plot of land that, with the exception of 67 acres used to house Nihiwatu, is largely untouched. Some villas have a platform with a daybed below the main bedroom, set just metres from the surf. We continue to make our way through the resort, wandering through a temporary labour camp housing the 300 Indonesian builders undertaking the construction work, sheds filled with planks of wood, blocks of limestone and the drying huts for the alang-alang grass used to thatch the roofs. Stopping at Guru Village, a cluster of hillside rooms also on the property that resembles a British holiday camp, McBride explains that “anyone who has a skill, like an astrologer or a tango dancer or a photographer, can stay for up to two weeks for free, on the condition that they share some of their knowledge with the guests of the resort”. Looking over to the yoga pavilion, a giant wooden deck built atop a concrete foundation and covered in thatch, McBride whispers, as an Australian family sits cross-legged in quiet repose, “we were originally going to put a villa here”. The breathtaking view from the pavilion, situated at the top of a hill with a view that extends down the coastline, is almost enough to persuade me to take up yoga.

A VISIT TO SUMBA ICONIC ISLAND BY A LONG AWAITED FRIEND



On 7 and 8 April 2015, Minister of Energy and Mineral Resources of the Republic of Indonesia, Sudirman Said, conducted a field visit to the island of Sumba in order to monitor the implementation and the progress of the Sumba Iconic Island (SII) programme. Hivos in Southeast Asia accompanied the minister, the Norwegian Ambassador to Indonesia Stig Traavig, and other officials.

During the visit, the Minister inaugurated a microhydro plant with a capacity of 13 kW, located in La Au, East Sumba. The plant is developed by local partner IBEKA and funded by Bank Negara Indonesia and a donation from the Dutch band, Blof. In his speech, the Minister said that it was not the capacity of the plant that matters, but the collaborative work being done by multi-stakeholders to reach the programme's goal of 100% renewable energy. The Minister also challenged stakeholders to accelerate the speed the project by five years to end in 2020.

The Minister believes Sumba could be a living example for other areas across the country, saying that the next government must put forward the interest of renewable energy in the country above all else. "I came here [to Sumba] to check how the programme is running. I really believe this could be accelerated to 2020. The future of our energy is renewable energy. We have the potential of wind, solar, water, and many more including geothermal. We want Sumba to become an example to other areas of Indonesia, making it a new culture [...] One of President Jokowi's management programmes is how to reach energy sovereignty. I think this is one of the ways that can and will expedite energy sovereignty in the country," he said.

The Ambassador of Norway was taken by Hivos to one of five schools being electrified from solar power supported by the Norwegian Embassy. He hoped that teachers now have the opportunity to enrich teaching and learning activities through audio-visual materials by powering lamps, laptops, computer and printers.

When asked why the Embassy had decided to take part in the project, Stig Traavig answered, "This programme strives for human sovereignty, and energy is important for people. Norway is a nation that cares about the environment, clean energy and resources for the future. This is a programme where it all comes together – including poverty reduction. This is an illustration of what we would like to continue doing. I see a great potential in Sumba. I think it would be inspiring, not only for the population here but also for Indonesia if Sumba is able to reach this goal of becoming 100% on renewable energy."

Visits followed to a household biogas installation from Hivos' Indonesia Domestic Biogas Programme, a decentralised mini wind farm, an off-grid biomass gasification power plant run on agricultural waste (rice husk) and Hivos' solar irrigation pump for farmers to grow vegetables during the dry season for the first time ever.

Development without access to energy is impossible; the Sumba Iconic Island project is demonstrating that access to energy is a vital driving force for development, and that the island of Sumba can become living proof that "sustainable energy for all" is both feasible and affordable.





Quick Facts

- Commitment from governor, Sumba leaders and state energy company PLN
- Roadmap developed by major stakeholders
- Indonesian energy ministry responsible for achieving Iconic Island goals
- 140 Hivos biogas installations in operation
- 20 masons and 4 supervisors trained to build high-quality biogas digesters
- First micro-hydropower plant constructed by Hivos-partner IBEKA and villagers
- 30,000 solar panels installed through energy company PLN
- First solar pumping project for irrigation in operation in Lewa, Central Sumba (Hivos and Yayasan Sumba Sejahtera)

Sumba 100% renewable

Hivos first visited the Indonesian island of Sumba in 2009 while looking for a place where we could show that access to renewable energy can alleviate poverty even in remote and isolated areas. Sumba was an ideal candidate. Located in one of the poorest areas of Indonesia, its inhabitants are without prospects of economic advancement and the island has one of the lowest electrification ratios in Indonesia.

Great potential

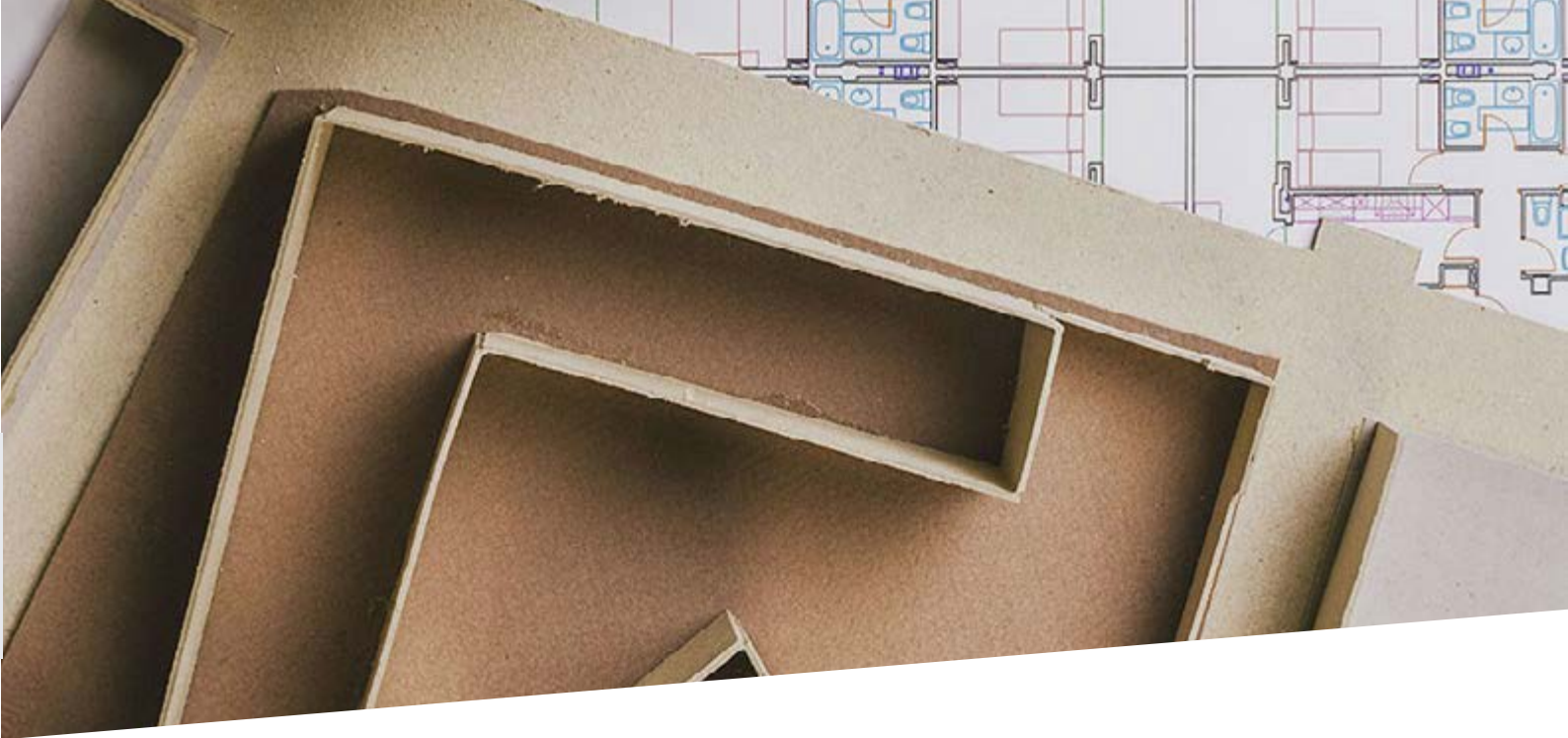
Research commissioned by Hivos found that Sumba has a great, unexploited potential for renewable energy. Hydro and wind power, solar panels and biogas could supply enough energy by far for all the island's inhabitants and at low cost, through both the small, isolated existing grids and off-grid. The "Iconic Island Initiative" was born: an ambitious plan to provide the people of Sumba with 100% renewable, locally-produced energy.

Stakeholders involved

For such an ambitious project, it was crucial to get all the stakeholders involved. Local leaders were supportive right from the start, as they were already acquainted with renewable energy solutions for Sumba. Hivos set out to gain support at all levels: local, national and international, engaging villagers, politicians, businesses and NGOs. The participation of the Indonesian Ministry of Energy was extremely important, as that led to state energy company PLN and all elected Sumba leaders and the governor committing to achieving the Iconic Island project's goal. In 2013, the Indonesian Ministry of Energy assumed responsibility for achieving 100% renewable energy for Sumba.

Partners team up with private sector

Private sector and civil society organizations were also engaged as partners in this process. The Indonesian bank BNI has provided grants to support households with biogas and is considering investing in micro-hydropower plants. One of the biggest infrastructure companies of Indonesia has agreed to invest in wind power on Sumba, and the Asian Development Bank started its support for the initiative on 21 May 2013 with \$1 million in technical assistance. Based on this, the Norwegian Ministry of Foreign Affairs decided to support the Sumba Iconic Island (SII) Programme through funding ADB and Hivos. Hivos' partner organisations in Indonesia are also actively involved on Sumba: IBEKA has built a first hydropower plant together with the villagers of Mbaku Hau, and over 40 biogas installations are already in operation.



REAL-ESTATE & LAND DEVELOPMENT



Price evolution per square meter between 2010 and 2014



SUMBA

+ 1433,3%

CANGGU

+ 124%

GILI

+ 222%

SEMINYAK

+ 463,6%

REAL ESTATE



REAL ESTATE IN SUMBA

HLands are very wide and still sold by HECTARE (10,000m²) not by ARE like on other islands (100m²). Prices are still extremely affordable compared to Bali, Lombok or Flores for instance however

the land value is increasing very fast year on year. Many investors are keen on investing their money in the Island as it is seen as "The new Bali" in terms of investment. Lands are being sold with the freehold title only.

SALES EVOLUTION



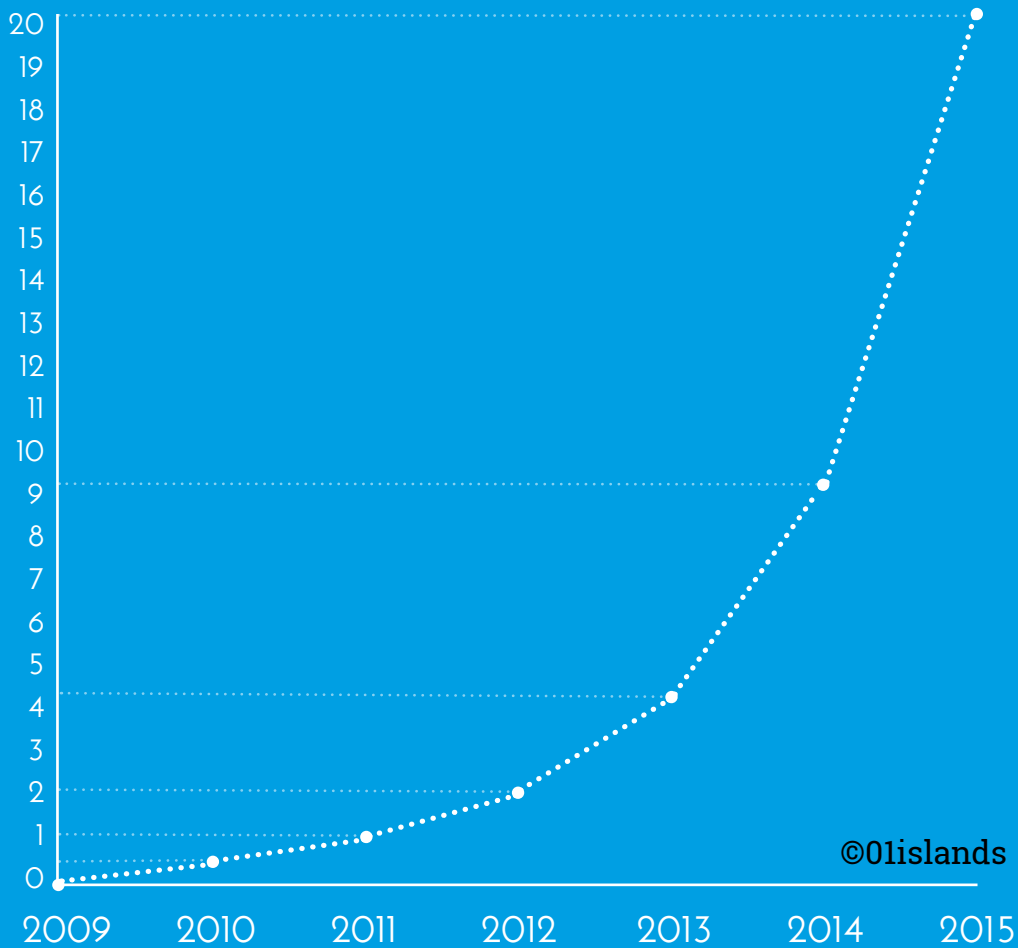
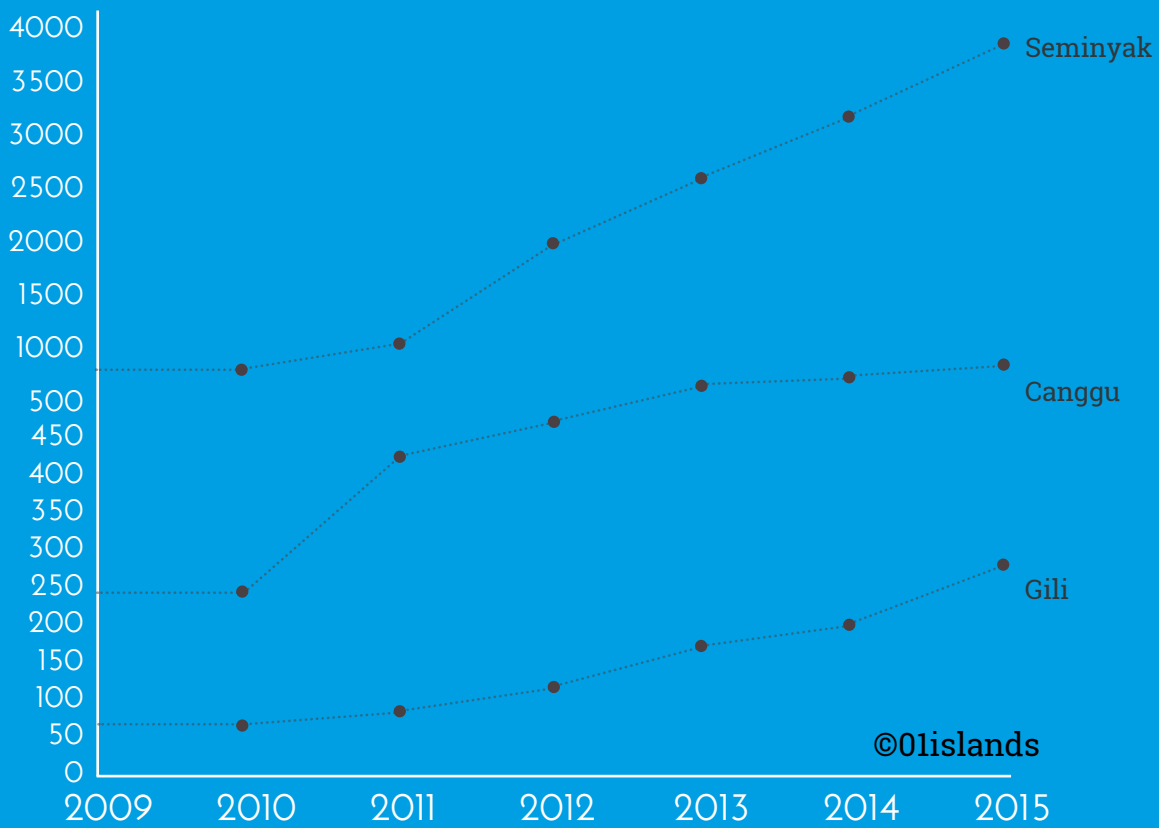
G These Last 3 years Sumba clearly revealed itself as a gem for investors. Beautiful nature and culture, amazing settings, wonderful beaches, and surf spots. Sumba is an ideal location for tourism investments. Certifying a new land is a lengthy and complicated process, that should be undertaken only by knowledgeable people to

avoid any disappointment. Few years ago only, one could only buy a land with barter (waterbuffaloes, goats or pigs). With more and more foreigners and investors coming to do business in Sumba, money rapidly replaced cattle, but this shows that we are at the beginning of a land trading era, with skyrocketing prices.



Bali & Sumba Beach Front Land Price Evolution

Prices
in USD/m²
(freehold)



| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|------------|-------------|-------------|-------------|-------------|-------------|
| SUMBA | 0.6 | 1.1 | 2.1 | 4.3 | 9.2 | 20 |
| SEMINYAK | 550 | 1100 | 1900 | 2500 | 3100 | 3800 |
| CANGGU | 250 | 444 | 467 | 500 | 560 | 610 |
| NUSA DUA | 281 | 333 | 350 | 395 | 450 | 500 |
| NUSA LEMBONGAN | 200 | 282 | 350 | 400 | 455 | 490 |
| GILI | 62 | 99 | 120 | 180 | 200 | 275 |

| | 2010* | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|------------|---------------|---------------|----------------|----------------|----------------|
| SUMBA | 0.6 | +83.3% | +90,9% | +104,7% | +113,9% | +117,3% |
| SEMINYAK | 550 | +100% | +72.7% | +31% | +24% | +22% |
| CANGGU | 250 | +77.6% | +5.18% | +7.06% | +12% | +8.9% |
| NUSA DUA | 281 | +18.5% | + 5.1% | +12.8% | +13.9% | +11.11% |
| NUSA LEMBONGAN | 200 | +41% | +24.1% | +14.2% | +13,7% | +7,6% |
| GILI | 62 | +59.6% | +21.2% | +50% | +11,1% | +37.5% |

*2010: Prices in USD/m2



LAND DEVELOPMENT

WATER BUNGALOW RESORT





SUMBA PLAZA





WOODEN HOUSE





NATURAL HOUSE



BUYING IN INDONESIA



MAKING IT HOME

Olislands with its newly opened construction branch, Sumba Building, now offers its clients the possibility to develop hotels, villas, etc...

www.sumbabuilding.com

Foreign investors need to be aware of some basic but important real estate laws when buying in Sumba. The same rules apply throughout the Indonesian territory.

In any case you will have to use the assistance of an Indonesian notary, to make sure that everything is in order and to se-

cure your real estate purchase. Next page is a summary of the different ways to own a property in Indonesia.





BUYING WITH A PMA COMPANY

As a Foreigner, you can create a PMA Company (Penanaman Modal Asing/ Foreign capital investment Company), in order to do business in Indonesia. This allows you to have minimum of 25% until 100% ownership in your investment (depends on the business activities). Some companies are using this specific title to buy lands and build villas or hotel complexes on it. The PMA may own HGB (right to Build) for their own business purposes/premises.

The right to build and possess a structure on land owned by others: The duration of right for the building is maximal 30 years, extendible for 20 years (article 30 Act No. by 5/1960). This right can be transferred to other persons selling and inheriting, who also can secure a loan, as a Hypothec Right.

”

The setup process will take 2 to 3 months after the initial approval issued by the Investment Board, and the operational licenses process will take 4 months to 1 year depending on the business nature.

SUMBA PROPERTY PURCHASING PROCESS



- DAY 0** You contact us
- DAY 1** We meet at our Bali office
- DAY 2** We take you to Sumba
- DAY 3** We show you the land we own and that are available at that time
- DAY 4** We come back from Sumba to Bali and take you to our notary who will explain you all the legalities of purchasing a land in Sumba

LAND WITH CERTIFICATE ALREADY PROCESSED

- DAY 9** We meet again at the notary to sign the binding agreement (Pengikatan Jual Beli). We give to the notary the land certificate and all other paperwork that we hold in order for her/him to check that everything is in order
- DAY 12** The notary confirms with you that all paperwork is in order and that you can proceed to the final payment
- DAY 13** Upon reception of the bank transfer to the notary, and the signing of "AJB" = «sales and purchase agreement» you are officially the proud owner of a beautiful piece of land in Sumba
- DAY 14** We assist you with our notary for the name change process on the land certificate.
- DAY 45** The land certificate is in your company's name

SUMBA PROPERTY PURCHASING PROCESS



- DAY 0** You contact us
- DAY 1** We meet at our Bali office
- DAY 2** We take you to Sumba
- DAY 3** We show you the land we own and that are available at that time
- DAY 4** We come back from Sumba to Bali and take you to our notary who will explain you all the legalities of purchasing a land in Sumba

LAND WITH CERTIFICATE BEING PROCESSED

- DAY 9** We meet again at the notary to sign the binding agreement
- DAY 10** You transfer a 50% deposit to the notary's escrow account
- DAY 40** Once the certificate is ready, you transfer the 50% balance payment to the notary's escrow account and the notary hands you the certificate
- DAY 41** You are the proud owner of a beautiful land in Sumba!
- DAY 42** We assist you with our notary for the name change process on the land certificate. It is the sales & purchase agreement (Aktual Jual Beli)
- DAY 82** After a minimum legal period of 30 days, the land certificate is in your name, or your company's name

LAW

NOTARY HONORARIUM



Notary Honorarium are based on article 36 page 12 and 13 of THE LEGISLATION OF THE REPUBLIC OF INDONESIA NUMBER 30 2004 for NOTARY OFFICE. From Economic value determined from the object of every deed, as follows:



1

Up to Rp 100,000,000 entrance (one hundred million rupiah) or equivalent grams of gold at that time, the received honorarium is maximum 2.5% of the gross sale amount

2

Above Rp. 100,000,000 (one hundred million rupiah) to Rp 1,000,000,000 (one billion rupiah) honorarium received is maximum 1.5% of the gross sale amount

3

Above Rp 1,000,000,000 (one billion rupiah) honorarium received and not exceeded is 1% (one percent) of the gross sale amount



LEGAL

FEES



Additional fees apply due to the necessity of moving outside of the usual region of operation: 0.5% based on the land transaction plus extra for airfare and accomodation during the process of transaction which cost will be paid by the buyer. The sociological value is determined based on the social function of the object, every deed with the honorarium received is Rp.5,000,000



INDONESIA



GENERAL FACTS ABOUT INDONESIA

FUNNY FACT

AT HIGH TIDE

Indonesia has 13000 islands

AT LOW TIDE

Indonesia has up to 17000 islands



Number of Islands: 17 000
Number of inhabitants: 253 Millions*
*Population Census 2010
Capital: Jakarta (Northwest part of Java)

Religion:
Muslim 87.2%
Protestant 6.9%
Catholic 2.9%
Hindu 1.7 %
Buddhist 0.7%

Source: Statistics Indonesia
(Badan Pusat Statistik)

Regime: Republic
Currency: Indonesian Rupiah (IDR)
5th most populated country
3rd most populous democracy
Independence of Indonesia: 1949
(Netherland colony for 150 years)
Président: Joko Widodo





ECONOMY

Indonesia owns

Diverse natural resources, a young, large and burgeoning population, and a rising middle class

Indonesia strong points result in the increasing of foreign investment and macroeconomic growth



Political stability

- President Joko Widodo endowed in October 2014
- Prudent fiscal management since the late 1990s
- Strategic location in relation to the giant economies of China and India
- Targeting corruption

TOP 4 ECONOMIC FACTS



1. INDONESIA IS THE LARGEST ECONOMY IN SOUTHEAST ASIA

2. MEMBER OF THE G20

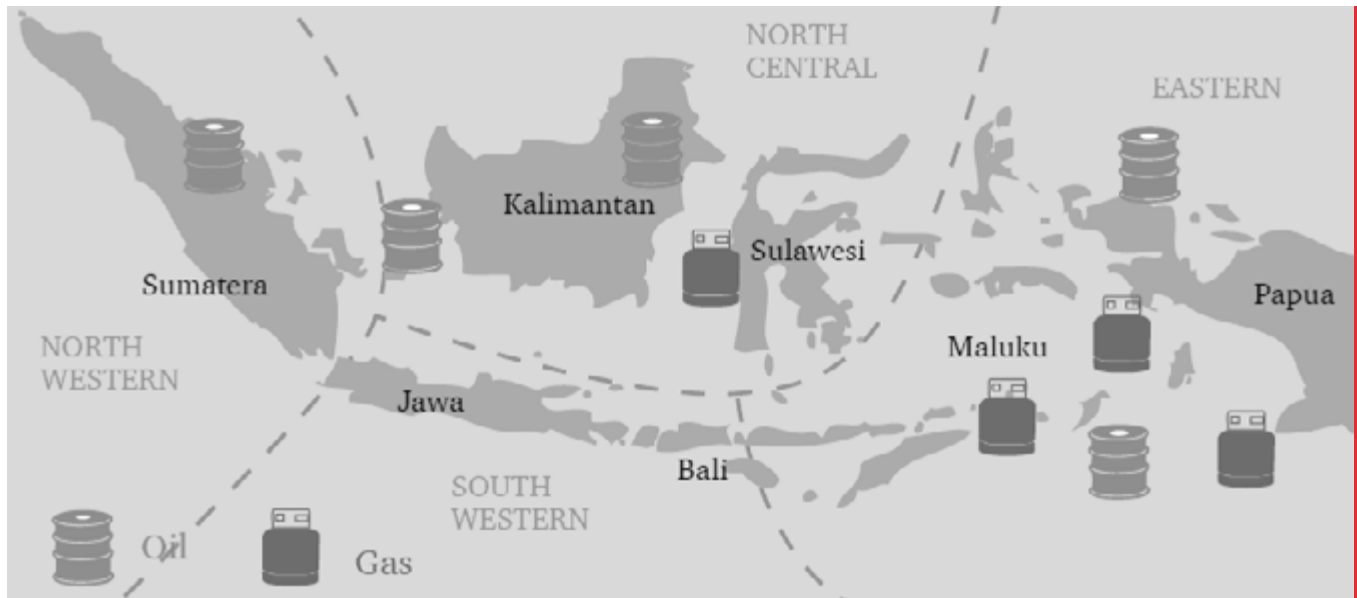
3. NEWLY INDUSTRIALIZED COUNTRY

4. IN 2012 INDUSTRIALIZED COUNTRY



Low labour costs and developing and improved infrastructures create a virtuous circle of investment

Oil and gas sources in Indonesia



Source: Staring Down the Barrel An investor survey of the Indonesian oil and gas industry

Indonesia has become a major stakeholder on the Asian economic scene with a **GDP Growth of 5.01% in Q4 of 2014.** The country is now seen as the next china and is emerging as a new Asian powerhouse



TOP 5 PRODUCTS IMPORTED BY INDONESIA

Coal Briquettes,
Petroleum Gas,
Palm Oil,
Crude Petroleum,
and Rubber



TOP 5 PRODUCTS EXPORTED BY INDONESIA

Refined Petroleum,
Crude Petroleum, Planes,
Helicopters, and/or Space-
craft, Vehicle Parts,
and Cars

INDONESIA ECONOMY THREE MAIN SECTORS

| | 1965 | 1980 | 1996 | 2010 |
|---------------------------------|------|------|------|------|
| AGRICULTURE (percent of GDP) | 51 | 24 | 16 | 15 |
| INDUSTRY (percent of GDP) | 13 | 42 | 43 | 47 |
| SERVICES (percent of GDP) | 36 | 34 | 41 | 37 |

NUMBERS & FACTS



TOP 5 EXPORT DESTINATION OF INDONESIA

Japan, China, Singapore, United States, and South Korea



TOP 5 IMPORT ORIGINS OF INDONESIA

China, Singapore, Japan, South Korea, and Malaysia

INDONESIA'S ECONOMY FACTS SHEET

Indonesia's economy reached USD 850 billion in 2012

In 2012 private consumption accounted for about 55 % of economic activity in Indonesia (partly due to low borrowing costs and the rising of Gross Domestic Product)

Exports accounted for around 20 % of GDP: China, Japan, USA, India are Indonesia's largest export destinations

Around half of Indonesia's export consist of commodities (in particular palm oil, coal, and rubber)

In 2012 Foreign Direct Investment (FDI) in Indonesia jumped around 26 percent (to USD \$29,5 billion) compared to 2011

TOURISM



Indonesian president Joko Widodo has invited Malaysian businessmen to invest in manufacturing, tourism and infrastructure which have been identified as three core areas of growth under his leadership. Jokowi also said Indonesia wanted tourists to see beyond Jakarta and Bali, adding that he wanted greater efforts to promote lesser known areas like Sumba, an island in eastern Indonesia, and Raja Ampat, an archipelago of over 1,500 islands on the island of New Guinea in the country's west Papua province. (Jakarta 2014).

QUICK FACTS

Tourism is one of the major incomes for Indonesia.

The most famous destination for tourists in Indonesia is Bali.

The five biggest sources of visitors to Indonesia are: Australia, China, Malaysia, Singapore and Japan.

9 billions US\$ of foreign exchange in 2012 are brought by the tourism sector.

TOURISM GROWTH

The World Travel & Tourism Council (WTTC) evaluates that Indonesia may record a 14.2 percentage point growth in foreign visitor arrivals and a 6.3 percentage point growth in domestic tourists arrivals in 2014.



ARIEF YAHYA

New tourism minister of Jokowi's government





REAL-ESTATE



NUMBER OF FOREIGN TOURISTS VISITING INDONESIA IN MILLION

2008: 6.23

2009: 6.32

2010: 7,00

2011: 7.65

2012: 8.04

2013: 8.80

2014: 9.50

> The real estate market is clearly moving toward other parts of Indonesia such as Bali, Lombok, Gilis, Flores, and Sumba. Luxury businesses have taken off in Bali, especially in the south part of the Island. From 2012 Bali luxury properties rose by 20% (strongest price

increases of all global luxury housing markets in Indonesia).

The luxury real estate field is also booming: «Indonesia's residential property price index (14 major cities) rose by 7.4% during the year to end-Q1 2013, the highest year-on-year price increase since Bank Indonesia began publishing data in Q1 2008 »

(Globalpropertyguide.com 2013)

Indonesia's government just took the decision to waive visa requirements for visitors from Australia, China, Japan, South Korea and Russia wishing to travel to the country, starting in January 2015. Departure airport tax is now integrated to the plane ticket price to make the registration process easier.



Boom of prices in the real estate business in the last 10 years reaching 20 % to 30% per year (37,7% in 2013 in Jakarta)

INVESTMENTS FORECAST

AMERICAN COMPANIES ARE EAGER TO INVEST IN INDONESIA

«A total of 35 American companies are interested to invest a combined USD \$61 billion in Indonesia over the next five years according to a survey conducted by the Paramadina Public Policy Institute, the American Chamber of Commerce in Indonesia (AmCham Indonesia), the Indonesian Employers Association (Apindo), and the Indonesian Chamber of Commerce and Industry (Kadin Indonesia)».

«These 35 US companies have already invested a total of USD \$65 billion in Indonesia over the period 2004 to 2012 (...) Foreign direct investment (FDI) is needed if Indonesia wants to achieve its economic growth targets. Indonesian President Joko Widodo (Jokowi) aims to raise the level of economic growth in Indonesia to +7 percent (year-on-year).

In order to attract more foreign investment Jokowi recently emphasized the importance of creating a simpler licensing system to speed up «doing business» in Indonesia (including the establishment of a one-roof service)»

SOUTH-KOREAN INVESTORS LINING UP TO INDONESIA

«During an official visit to South Korea, President Joko “Jokowi” Widodo said South Korean investors showed their interest in investing their money in Indonesia. Jokowi revealed that the investors are big players in business, energy, petrochemical, steel and defense sectors. Jokowi mentioned several companies, such as SK Energy, Posco and Lotte. Such investments, Jokowi said, would help Indonesia to reduce the trade balance deficit».



President Joko Widodo and President Obama at the APEC summit 2014



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REGULARLY, STAY IN TOUCH
FOR THE NEXT ISSUE**

