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LUXURY PROPERTY



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On a pair of islands lying south of Sihanoukville

in Cambodia's Koh Rong Archipelago, 27 luxury villas with sizes ranging from 135 square metres to 301 sq m are emerging as an irresistible piece of property for an investment, or even a venue for marriage vows.

A white sand beach is at the doorstep and the sunsets would be an unforgettable sight from a bedroom or a living room. Scheduled for completion in November, the villas on the private island resort of Song Saa, are being built on the two islands Koh Ouen and Koh Bong that lie side by side connected by a footbridge. Song Saa literally means 'The Sweethearts,' says the developer Brocon Investment. Real estate agency CB Richard Ellis is handling sales.

"You're getting to experience a place that is untouched, and that's so rare these days. This is an ultra luxury property with the most beautiful beaches you have ever seen," says Rory Hunter, the chief executive of Brocon Investment. He is a co-founder of the company.

Hunter's wife Melita, who is the architect and interior designer, says environmental issues were given due consideration in the project.

The islands are connected by a 150 metre footbridge. The villas, eight built over water, 11 amid lush vegetation and seven constructed as beach villas, are on the island of Koh Ouen. Beach villas are built with swimming pools, and one named the Royal Villa has two bedrooms and a jetty for private use.

On Koh Ouen, facilities will include a gym, a restaurant and bar that extends out 100 metres over the water, as well as a beachside facility for water sports.

Koh Bong, the slightly larger of the two islands, is endowed with virgin rainforest, the developer says. A yoga and meditation area and a spa and wellness centre suspended in the canopy overlooking the ocean are taking shape.

The two islands are private, free from commercial developments and activity, and are accessible by a high-speed boat from Sihanoukville, Cambodia's coastal city or by private seaplane from Siem Reap and the capital, Phnom Penh, the developer says.

Cambodian cultural elements have been incorporated in the design of the resort.

"It's so important for our guests to have a sense of place. And there is such a great tapestry within Cambodia to work with, it's almost untapped," Hunter says. The exterior of the resort emulates



the textures, materials and structural designs of traditional fishing villages, exemplified through thatched roofs and buildings over water, albeit with a contemporary twist.

The design also reflects a commitment to preserve and protect Song Saa's natural assets. According to the developer, more than 90 per cent of timber used throughout the resort has been recycled from various locations. Four years ago a marine reserve was set up in the surrounding waters of Song Saa. It aims to be a sanctuary for endangered and protected species, such as turtles, bubble corals and seahorses. Soon the reserve will be expanded to 10,000 hectares.

Guests could go swimming, snorkelling and diving in the waters of the Koh Rong Archipelago, a selling point for potential investors. Guests could also go kayaking through the mangroves and estuaries, set off on excursions to outer islands, or go hiking in the rainforest. "It's a wonderful playground. We really want our guests to leave feeling inspired," Hunter says.

It is also a romantic venue for weddings. "There is another island about five minutes away, even smaller than ours, and the only thing on there is a monastery, with two monks, who will be performing traditional Buddhist



One bedroom villa built over water

CAMBODIA – SNAPSHOT

ECONOMY: GDP grew 5.5 per cent in 2010, but growth of the US\$10 billion (HK\$77.8 billion) is below historical average; better prospects seen for 2011; agriculture, garments exports, and tourism, construction and banking are main drivers of growth; weak fiscal position and aid dependent

GARMENTS: exports grew 24 per cent in 2010 with 60 per cent shipped to the United States; garments industry employs 5 per cent of the working population

INFLATION: Consumer price inflation fell to 3.1 per cent year-on-year in 2010, from 5.3 per cent in 2009. Core inflation fell from 4.5 per cent to 1 per cent over this period.

REAL ESTATE: 2005-2008 construction boom led to overheating in late 2007 and early 2008; partly fuelled by a real estate bubble; new construction project approvals up by 10 per cent in 2010; bank lending to construction sector up by 9 per cent and loans to real estate sector expanded by 7 per cent in the third quarter of 2010 compared with 2009. Further recovery expected in 2011.

TOURISM: arrivals up 16 per cent year-on-year in 2010 with revenues reaching US\$1.8 billion, up 14.4 per cent; East Asia and Pacific accounts for 72 per cent of visitors; Europe and Americas represent 19 per cent and 8 per cent respectively. Three major airports in the capital Phnom Penh, Siem Reap, and Sihanoukville, served 3.3 million passengers in 2010 and are managed by SCA, a subsidiary of VINCI Airports. Late March, Air France resumed flights to the capital.

EXCHANGE RATE: The currency appreciated 3 per cent against the US dollar trading at 4,053 riels per one US dollar.

STOCK EXCHANGE: Set to open in July; about 10 private companies and two state-owned companies are expected to list.

POLITICAL CLIMATE: Cambodian and Thai soldiers exchanged fire in February at a temple site in a border area under dispute. Both countries have agreed to post civilian and military observers.

Source: World Bank, February 2011 report, Vinci.com, news agencies

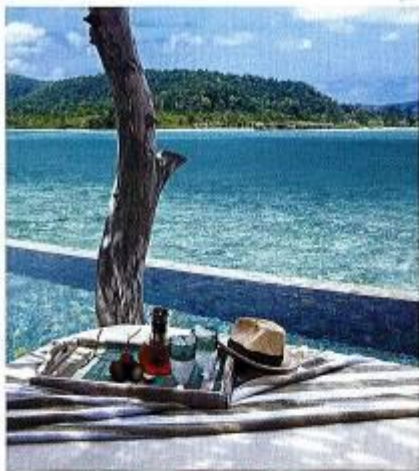
wedding ceremonies." The marriage-minded can have the resort to themselves for US\$40,000 (HK\$311,000) a day.

Cambodia is an emerging tourism destination, on track to pull in 2.8 million visitors this year, up from 2.5 million last year, making the development attractive for foreign investors. Rapid tourism growth is primarily driven by the historic temples of Angkor Wat in Siem Reap.

"Cambodia is a touring market, not a destination market, so people spend a couple of days in Siem Reap and then fly somewhere else to spend the beach component of their holiday," Hunter says, adding that, with Song Saa, "for the first time, you can do both."

Brocon Investment, 100 per cent foreign-owned, has been granted a 99 year lease on Song Saa Private Island resort, the company says. Brocon has also helped shape property ownership laws in Cambodia, paving the way for foreigners to purchase property. "In the Constitution it specifically says individuals aren't allowed to own islands. No one had ever owned an island before. So we worked very closely with [the government] to develop the leasehold structure. Cambodian land law from a leasehold perspective is very strong."

Villas built in the first stage of the project have been sold in late 2009, Brocon Investment says. Phase two is up for sale, comprising a handful of one bedroom villas over water. ▲



INVESTORS ARE SETTING THEIR SIGHTS ON BEACHFRONT PROPERTIES IN THE REGION. PAGE 28

BREATH OF FRESH AIR

CITY DWELLERS HEAD FOR SAI KUNG. PAGE 10

WORKING HARD

VETERAN DEVELOPER ENJOYS DAILY GRIND. PAGE 14

COASTAL LIVING

IDEAL LOCATION FOR ACTIVE FAMILIES. PAGE 18

URBAN REVIVAL

RUNDOWN BUILDINGS NOW COSY HOMES. PAGE 22

WORTH THE WAIT

MAINLAND MARKET AT THE CROSSROADS. PAGE 24

NEW INVESTMENT FRONTIER

TIMESHARE CONCEPT HAS EVOLVED. PAGE 32

GROWTH POTENTIAL

VIETNAM ATTRACTS BRAVE BUYERS. PAGE 34

CAPITAL INVESTMENT

LONDON MARKET IS BULLISH AGAIN. PAGE 36

RICH AND FAMOUS

MILLION-DOLLAR SUBURBS ON THE RISE. PAGE 38

BARGAINS COME WITH RISK

MAKING SENSE OF COMPLEX US MARKET. PAGE 40

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DEVELOPER

SEASIDE *rendezvous*

Waterfronts are proving irresistible for investors from Hong Kong and the mainland, writes *Mukul Munish*

SEASIDE
PROPERTY

PHOTO COURTESY OF THE DEVELOPER



A BEDROOM IN A SONG SAA PRIVATE ISLAND BEACH HOUSE OFFERS MODERN INTERIOR DESIGN AND LUXURIOUS FURNISHINGS ON CAMBODIA'S UNSPOILT COASTLINE.

SOUTHEAST ASIA

From Bali to Mauritius and Vietnam to Hua Hin, investing in beach properties has picked up briskly after a lull in the past two years because of the financial crisis.

Agents and developers say investors from the mainland and Hong Kong are especially keen to take advantage of a rising yuan and low interest rates to buy properties in Southeast Asia.

David Simister, chairman of CB Richard Ellis Indochina, says the beach and waterfront projects his firm has marketed in Cambodia and Thailand have sold out within days.

He points to [Song Saa Private Island](#), Cambodia's first luxury private island resort. The

first phase of villas was launched in late 2009 and sold out within two months to investors from Japan, Hong Kong, Britain and France. The subsequent phase of one-bedroom, over-water villas was launched in October last year.

"While over-water villas are commonly seen in the Maldives, Song Saa is the first and only development at present to offer over-water villas for private ownership in Southeast Asia," says Rory Hunter, CEO of Brocon, the Australian-owned company behind the development.

Development on Cambodia's coastline has been limited and tourism has centred on Angkor Wat and Siem Reap. The Cambodian government is keen to open up the real estate



THE SANDY ISLAND DEVELOPMENT ON SINGAPORE'S SENTOSA ISLAND OFFERS 18 ITALIAN-DESIGNED WATERFRONT VILLAS SET IN A LUSH RAINFOREST.

market to wealthy foreigners and investors, and has allowed foreigners to buy properties.

With regular airlifts from Siem Reap and Phnom Penh to Sihanoukville, from March, this has become a major catalyst for growth in Sihanoukville and Cambodia's south coast tourism. Song Saa is accessible by a 20-minute boat ride from Sihanoukville port. The resort can also be directly accessed by a one-hour sea plane flight from Siem Reap. Brocon has agreed a deal with a sea plane operator to operate two daily flights to and from the island.

Another beach villa project is coming up on Singapore's Sentosa Island. Sandy Island is being developed as a tropical island with 18 waterfront villas nestled within a lush rainforest.

The waterfront villas are been designed by Italian architect and designer Claudio Silvestrin, whose works include the 26 Giorgio Armani flagship stores around the world, including

Armani/Chater House in Hong Kong and the Museum of Contemporary Art, Turin.

In his modern interpretation of tropical architecture, Silvestrin aims to "abstract the elements of a house into pure geometric forms, stretching of perspectives, purity of view, the use of natural materials, and an architecture that is intentionally timeless".

In Vietnam's Da Nang, Savills is marketing the Norman Estates, which will have 33 villas spread on 7.5 hectares of land. The project is developed by VinaCapital, whose head of sales and marketing, Matthew Koziara, says the firm has sold eight villas, mainly to investors from Hanoi, before the public launch.

The two-, three- and four-bedroom villas are priced from US\$800,000 to US\$2 million.

Koziara says the demand in the country is enough for him to sell all the villas in Vietnam. "If there are villas left unsold, then we will offer them to international investors," he says.

BEACH
PROPERTIES