

Financial Review – Selong Selo

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FINANCIAL REVIEW

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By : Sarah Thompson



The big picture is to create an exclusive community where residents and visitors can enjoy a luxurious and sustainable holiday. *Supplied*

Australians Andrew Corkery and James Nash were typical young gun investment bankers who liked to work and play hard. They met as traders in Hong Kong in 2006 and, like so many others their age, were soon making an annual Bali pilgrimage to surf, relax and drink Japanese beer far from the madding stock exchange. At first it was the chance to catch some waves and decompress. Never in their wildest dreams did they imagine they would one day own land there. But by the time they hit their mid-30s, that once

fanciful idea became feasible thanks to the money they were earning in the finance industry. Having made the mental leap, the problem then became finding the right opportunity. The pair cased numerous beaches, mostly well-worn tourist hotspots such as Seminyak, but nothing felt right. They wanted something different: a suitably remote place to build eco-friendly luxury villas for themselves and like-minded friends seeking regular time out from corporate life. They wanted a place that was relatively untouched, full of natural beauty, but with decent infrastructure such as roads and a modern international airport. Bali tends to be good at one or the other – but not both in the same place.



Selong Selo Residences is blessed with a stunning location. Selong Belanak Bay is one of only three beaches in Lombok to feature fine white silica sand. Supplied

“We wanted to invest in Bali but couldn’t make the numbers work,” Corkery reflects. “Then we went to South Lombok in 2010 for a surfing trip and it just made sense.”

Fast forward to May this year and *Sophisticated Traveller* is sitting with Corkery and Nash enjoying Bintang beer, cocktails – an organic lemongrass mojito in my case – and warm sunsets by the infinity pool of Aura Bar & Lounge, part of their luxury villa community, Selong Selo Residences. Despite the perfect surrounds, the complex is still very much under construction.

Around us, nestled in the rolling green hills of the southern part of the island of Lombok, are the foundations of an extensive development with green credentials overlooking Selong Belanak Bay and its fine white silica sands.

Beach credentials

In November last year, the *South China Morning Post* named it as one of Asia's best beaches, describing it as Phuket 30 years ago. The tipping point is that while there are many beautiful beaches in Lombok, only three, including Selong Belanak, have the famed silica sand.



Selong Selo founders Andrew Corkery and James Nash employed a stellar design team to turn their vision into reality. Supplied

True, it's still early days. The project won't be completed until 2020, when they hope to have most of the villas built (their vision is for 58), along with a kids' club, health spa, fitness centre and tennis courts.

But there's reason to clink beer necks: four of the villas have been completed, with many more sold off the plan. Investors pay \$US500,000 (\$632,000) on average for a two-bedroom villa spanning 250 square metres, although they are building villas of up to seven bedrooms, the largest home being 910 square metres. *ST*, along with a travelling companion, drops by to road test the resort thus far. We stay in Villa Cullen, named after owner Tony Cullen, a Brisbane-based executive at listed education company Navitas.

The island of Lombok, in the Lesser Sunda chain, might be a mere 30-minute flight east from Bali with its hordes of tourists and mega-resorts, but for the week we are here, it feels as though we are on an entirely different planet.



The villas are finished to perfection, using local raw materials where possible. Supplied

It's not just the blissful Sasak-style massages – scented oils are used to stimulate blood flow, while acupressure releases the qi (energy), followed by reflexology and gentle stretching – or the private yoga lessons by the pool. Nor simply the delicious food – speaking of which, a favourite is the rice paper rolls

with peanut sauce, prepared by the in-house chef. It is, I guess, all of it, especially the surrounding activities on offer.

On the days we manage to peel ourselves off the massage table, we explore almost-untouched surfing breaks frequented by some of the world's best pro-surfers; fling ourselves off breathtaking waterfalls after walking through jungle alive with shrieking birds and monkeys; and sample village food including *ikan nila sambal pedas*, a (very) spicy and tasty fish dish.

Indeed, the tricky part is not getting caught up in Corkery and Nash's vision and relieving yourself of considerable savings to secure a villa.

Selong Selo Residences has acquired a name as the clever lifestyle and investment choice for high-net-worth singles and couples in their mid 30s and early 40s looking for an annual guaranteed break with everything they desire, wrapped in green credentials.



Selong Selo's villas are nestled in the lush green hills of the southern part of the island of Lombok. Supplied

Owners can choose to rent their villas with room rates of about \$US150 to \$US200 a night per room. Corkery and Nash have had a steady stream of in-house guests in the four completed villas: a mix of walk-ins, family and friends, potential investors and people who book online.

So far, about 45 per cent of the owners are in finance or finance-related sectors. Half are Australian, the rest mainly Europeans, Brits and Americans. Not surprisingly, many are friends of the co-founders.

“It was never about the investment, although it has been a decent one,” says Alexander Pettersson, managing director of ship broker Westshore Raffles Offshore. “It was more about a spiritual connection.” The 39-year-old Singapore-based Norwegian and his family fly to Lombok for holidays four to six times a year.

“I met the guys through a friend in New York in 2013, ended up on a surfing trip with them to Lombok and invested in Selong Selo almost straightaway,” Pettersson says.



The location offers visitors sun, surf and relaxation without the crowds. Supplied

“Its purity, combined with clean seas, great surf and friendly people, make it the perfect retreat from the intense business environment of Singapore.”

Attention to detail

Nash and Corkery’s desire to make Selong Selo stand out in the crowded Bali market – and the increasingly busy South Lombok market – extends to all aspects of the project. As well as their sustainable approach, the pair has ensured the best gold-standard finishes found in the luxury resort business.

To achieve this, they hired Vincent McIlduff of Hong Kong-based architects ALT-254, Australian builder Greg Coventry, who was behind American entrepreneur Chris Burch’s Nihiwatu resort on nearby Sumba island, and creative director of The Interior Space, Ros Hemley, who has offices in Burleigh Heads in Queensland and Nusa Dua, Bali.

The result is sleek, teak-clad ceilings and sand-blasted marble floors, with most products sourced in Indonesia.

“From a natural palette, we have created interiors that reflect relaxed elegance,” Corkery says.

The idea is, the better quality the buildings, the higher the rental yields. And they are taking the property’s green credentials as seriously as the luxe fittings. Nigel Grier, head of green infrastructure developer IDPM, is overseeing how best to reduce greenhouse gas emissions.

Captured rainwater, storm water and waste water will be recycled. The development is connected to Indonesia’s PLN grid, but power is intermittent with generators and solar power providing back-up.

When complete, the resort will include high-efficiency airconditioning, LED lighting and smart whitegoods that can be controlled remotely. “The boys are very brave in taking this step, but they have supportive investors within their business,” Grier says.

“Waste is an incredible opportunity. It’s very simple to convert plastic into a light crude oil that can then be further distilled down to diesel, kerosene and petrol.”

The vision

Looking at the bigger picture, the vision is to create an exclusive community where residents and visitors can enjoy a superlative and sustainable Lombok holiday.

Given their professional backgrounds, Corkery and Nash have also tried to make the process easy and transparent for potential buyers, providing regular project updates, photos and financial reporting to keep investors connected.

The pair has assembled a 107-strong operational team, comprising Australians and Indonesians, in the main, to steer investors through the multi-staged purchasing process, ensuring full compliance with Indonesian laws while providing protection for their underlying investment.

The estate is managed by an Indonesian foreign investment company owned by the co-founders and approved by the Indonesia Investment Co-ordinating Board (BKPM).

However, no amount of due diligence changes the fact that South Lombok is a market with challenges. Home to 3.2 million people, economic conditions are depressed and complex laws governing foreign investment deter some prospective investors.

“People hear negative stories about investing in Indonesia. We sort all of those issues given our large on-the-ground presence,” Corkery says. “The first 30 investors were friends or friends of friends, so it’s critical that the trust is there.”

The location is also proving interesting. On the plus side, the duo is obviously on the money. South-east Asia’s largest development, the \$US3 billion Mandalika project, is taking place on another slice of Lombok only a 25-minute drive away at Kuta.

Mandalika is a huge resort, with more than 10,500 rooms spread across a mix of four- and five-star hotels, some of which could be operational by next year.

It’s a nod to the fact that Lombok, once the preserve of backpackers and students, has been well and truly discovered. Foreign arrivals here, mainly tourists, have increased 50 per cent each year since 2009.

Another investor in Selong Selo, Sydney-based Platinum Asset Management analyst Troy Augustus, says Indonesia, including the islands surrounding near-saturated Bali, is a crowded market these days.

“It was the unique plan that the guys wanted to create that set this development apart from the competition,” Augustus says. “The vision to give the project not only a community feel for investors but also for the locals meant they were thinking about future sustainability. They’ve been respectful of the local communities’ needs and have empowered the locals by employing them in a lot of key roles.”

Community involvement

Corkery talks passionately about involving Lombok locals in his plans, particularly through training initiatives and employment at Selong Selo, and by caring for the environment.

While we are here, dozens of local residents turn up to help on the resort’s beach clean-up day – ignoring the tempting swell – and are given demonstrations on how to recycle the refuse in line with Selong Selo’s commitment to zero waste.

It’s all very PC and on trend. But at the end of the day, Selong Selo wouldn’t work unless it offered visitors the Bali staples – sun, surf and relaxation.

The resort does great yoga, Pilates, snorkelling, scuba diving, and surfing. For my part, I’m happy to while away the hours meditating and being sung to by our yoga teacher during our savasana relaxation at the end of a class, before staggering back to the pool lounges for more champagne and canapés.

That is, until group general manager Greg Williams entices me to leave base camp to discover a series of beaches on the way to Gerupuk Bay, which is a hit with experienced surfers for its big right-hand breaks. We’re even coaxed into taking a couple of surfing lessons at Gerupuk, which turns out to be a highlight of our stay. The local instructors are patient and understanding despite our lack of talent. The waves are “small but sexy”, to borrow a phrase from one of the locals.

By the end of our session, we are skilled enough to catch a few, at least, before heading back to celebrate with more champagne – that other important holiday staple.

**The writer travelled as a guest of Selong Selo Group.*

Take me there

- **Fly**

Flights from Bali to Lombok take 30 minutes. Several operators fly in daily.

- **Transfers**

Guests are met at Lombok International Airport for the 25-minute drive to Selong Selo Residences.

For bookings: selongselo.com/book-now

Link : <http://www.afr.com/brand/sophisticated-traveller/meet-the-australians-banking-on-a-slice-of-paradise-in-south-lombok-20170713-gxb158#ixzz4oSdOO87s>