

The Next Bali

With stunning natural beauty -- and a \$600 million resort complex in the works -- Lombok aims to become a travel hot spot

By TOM WRIGHT



Corbis

Kuta Beach, on the southern coast, a popular surfing spot

Indonesia's Lombok island sits just across a narrow strait from Bali. But unlike its sister island -- a travel Mecca that has become even more popular thanks to Russian and Chinese package tours -- Lombok has remained largely in the shadows, save for a trickle of foreign travelers who have discovered its charms.

Now the bucolic island is gaining a following among tourists turned off by the commercialization of Bali. A number of posh boutique resorts have recently sprung up along Lombok's western coast to cater to this crowd. They serve capirosas and other fancy cocktails on the beach at sundown, but are just a stone's throw away from rural, unspoiled countryside, much as Bali was four decades ago.



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Boats park on a tranquil stretch of beach on Lombok's southern coast.

Lombok's new wave of resorts marks the latest attempt by the island to become a serious tourist draw. Like travel destinations throughout the region, Lombok has battled to overcome a series of setbacks, including the Asian financial crisis of the late 1990s and terrorist attacks in Bali a few years ago. Despite new challenges on the horizon, including a global recession, locals here are hoping that a major investment from a Middle Eastern

developer, combined with Westerners' desires for less expensive resort alternatives in the area, will finally put Lombok on the tourist map.

The standard rooms at the stylish Qunci Pool Villas, which opened this summer near Senggigi Beach, cost less than \$100 a night, at least a third less than rooms at a comparable upscale hotel in Bali. The resort also has a top-notch spa offering lulur, a traditional Indonesian body scrub that uses a paste made from sandalwood, turmeric and rice flower.

About 15 miles up the coast, the newly opened Hotel Tugu Lombok, part of the high-end Indonesian Tugu chain, has rooms appointed with antique Javanese furniture that evoke the Dutch colonial era. The Lombok Golf

Kosaido Country Club, designed by former British Open champion Peter Thomson of Australia, is just next door. Farther north, there's an Oberoi Hotel, part of the India-based chain of luxury resorts.



On Asia

A smaller volcanic cone emerges from the crater lake within Mount Rinjani, an active volcano and one of Indonesia's tallest.

And just off the coast, on the largest of three tiny islands known as the Gilis, an Australian couple has opened the 23-room Beach House Resort, one of a handful of modern hotels that have sprung up there in the past few years. The resort ships in fresh water daily from the Lombok mainland to fill its private-villa pools. (Fresh water is in short supply on the island.) It's quite a change from even five years ago, when accommodations on the Gilis amounted to little more than spartan bungalows with saltwater showers and catered to scuba divers and backpackers who arrived by traditional fishing craft. Still, the little islands retain their rugged feel, with horse and carriage the only mode of public transport.

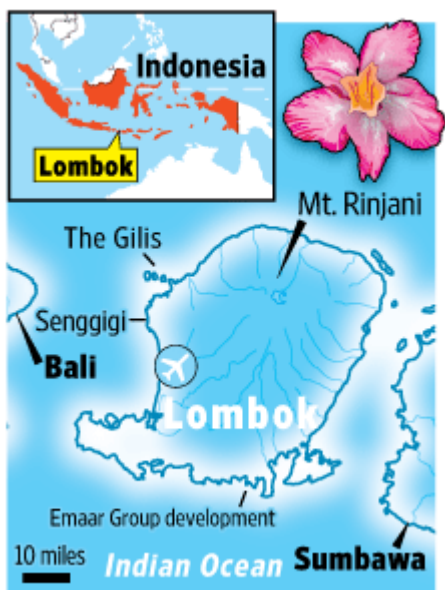
Lombok's shabby-chic image and stunning natural beauty (Mount Rinjani, Indonesia's second-highest peak, is a popular destination for trekkers) is also attracting big outside investors. Emaar Properties, the Middle Eastern developer that is erecting the world's tallest skyscraper in Dubai, is investing \$600 million in a joint venture with the Indonesian government to build a five-star, 10-hotel complex on Lombok's south coast. The plans include an Armani-branded resort, vacation homes, exclusive

shops and marinas, according to Maureen Ferry Cuellar, Emaar's assistant director of development.

Lombok's potential has been touted before and never come to much. Some people in the travel business here fear the global economic recession could thwart the island's latest ambitions once again. "Every time Lombok is ready to take off, something happens," says American Scott Coffey, a former stockbroker who owns the Qunci Pool Villas.

Joe LeMonnier

TRIP PLANNER



WHERE TO STAY: On the west coast, near Senggigi beach, at the newly-opened Qunci Pool Villas, an ocean-view double costs \$95; \$135 for a private-pool villa. (quncivillas.com). At the Sheraton Senggigi Beach Resort, one of the first big hotels in Senggigi, a double costs \$100 (starwoodhotels.com). Doubles at the 18-room Hotel Tugu Lombok, about 15 miles up the coast, start from \$170 (tuguhotels.com) At the 50-room Oberoi Lombok, an ocean-view double costs \$335 (oberoilombok.com).

On Gili Trawangan Island, a one-bedroom pool villa at the Beach House Resort costs \$100 (beachhousegilit.com). On the south coast, at the Novotel Lombok Mandalika Resort, it's \$65 for a double and \$200 for private-pool villa (accorhotels.com).

WHAT TO DO: Climbing Mount Rinjani is a highlight for many Lombok visitors. Hotels can arrange for a guide. A one-night trek, including guide, food, and camping on the volcano's crater rim, costs about \$150 (lombokrinjanitrek.org). The south coast of the island, near the Novotel hotel, has world-class surfing. Ask the

hotel concierge to arrange for a boat out to the best breaks.

WHERE TO EAT: Square Restaurant & Lounge, on Senggigi Beach, features Western and Asian tasting menus for \$25 per person. Signature dishes include pan-fried foie gras and Thai-style giant prawns

(squarelombok.com). Qunci Pool Villas also has an upscale restaurant. Specialties include lamb shank, and green-tea tiramisu. Dinner for two runs around \$60 with wine.

In the early 1990s, the then-government of Suharto, the dictator who ruled Indonesia from 1967 to 1998, developed the beach at Senggigi, which has a big Sheraton resort. The area did well for a while but the Asian financial crisis in 1997-98, followed by the 2002 Bali nightclub bombings and another attack on a Bali beach in 2005, had a devastating effect on Lombok's tourism industry.

The financial crash also put on hold another ambitious plan by Suharto's business cronies to turn a 10-mile stretch of pristine beaches and bays on the southern coast into a mega-resort. It was modeled after the luxurious Nusa Dua complex, which kick-started Bali's development in the late 1980s. This will be the site of the venture by Emaar. The company agreed to buy the land from the Indonesian government, which took it over after the financial crisis, and plans to begin construction next year; phase one is scheduled to open by 2011.

Indonesia has made huge strides in the last few years to curb terrorism, including making scores of arrests. Earlier this year, the U.S. lifted its travel warnings on the country, and travelers and expats here say they feel perfectly safe.

But the difficulty of getting to Lombok has continued to stunt its growth. While many international airlines fly direct to Bali, Lombok has only a few flights a week from Singapore. The usual route to the island is a short hop from Bali in a twin-prop plane, but since mid-2007, the European Union has banned EU-based tour operators from selling Indonesian domestic flights, after a series of deadly crashes in the archipelago in recent years.

None of those incidents involved the private operators who run flights between Bali and Lombok, however. And Indonesia has taken serious steps to improve its overall air-safety record in the past year, raising hopes that the EU ban soon will be lifted. In the meantime, many tourists buy tickets directly from Indonesian travel agents to work around the EU ban.

As part of the deal with Emaar, the Indonesian government is constructing a modern airport only 20 minutes from the planned development. Roads are being upgraded across the island as well.

Lombok's boosters want to avoid the kind of overzealous building that some say has scarred large swaths of Bali. "We can set up regulations to stop it becoming too crowded," says M. Zainal Majdi, the governor of West Nusa Tenggara province, of which Lombok is the administrative center. "We can learn from mistakes over there."



Tugu Hotel

An architectural detail on the Barong bridge at the Hotel Tugu Lombok.

Visitors who want a taste of Lombok's southern coast before Emaar's development gets underway can stay at the four-star, 100-room Novotel Mandalika Resort, the only large hotel in the area. Putri Nyale beach, on which it is situated, rivals anything on Bali, say tourists and expats. On a hilltop overlooking the beach, Pierre Emmanuel Barthe, a former French movie executive, has built an isolated villa with stunning ocean views. "It's really beautiful," he says. "Bali is too overcrowded now."

Those selling Lombok as the "unspoiled Bali" have many historical connections to draw upon. In the 18th century, a Hindu Balinese king conquered much of the island, and his progeny ruled until the Dutch pushed them out at the turn of the 20th century. Today, 10% of Lombok's population, mainly in the western part of the island, are of Balinese origin, and the island is dotted with Hindu shrines. In the town of Narmada, the same king built a temple on a hill as a replica of Mount Rinjani, an ancient pilgrimage site. On days leading up to a full moon, the temple in the palace is festooned with garlands of flowers and baskets of fruit offerings.

Yet Lombok's culture is also distinct from Bali's, and is the product of a complex cultural mixing. Islam arrived here in the 16th century and over time the dominant ethnic group -- the Sasaks, who today make up 85% of the population -- became Muslim. But as in many parts of Indonesia, orthodox teachings were only partially embraced. The mountain village of Bayan, in the northern part of the island, is the center of Wetu Telu, a religion that blends elements of Muslim, Hindu and animist beliefs. Followers pray three times a day, instead of Islam's standard five.

Nearby, Mount Rinjani is the spiritual heart of Lombok's animist traditions. It is also the place where Alfred Russel Wallace, the noted Victorian explorer and naturalist, observed the differences between bird species on Bali and on Lombok. He later identified the Wallace Line, which runs between the islands and divides Indonesia into two distinct parts: one where the birds and animals are more closely related to those found in Asia and the other to those in Australasia.

Taking a two-day trek to the 12,224-foot-high summit of Rinjani is the perfect way to crown a visit to Lombok. Starting off under the jungle canopy at its base, travelers are likely to see wild pigs and black-leaf monkeys along the way, before arriving for the night at the rim of the mountain's lake-filled volcanic crater.

The steep push for the summit begins before daybreak the next morning. As dawn approaches, the circular contours of Lombok become visible below. And to the west, across the Lombok Strait, a faint outline of Bali's Mount Agung becomes visible through the morning mist.

Write to Tom Wright at tom.wright@wsj.com



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While Bali is nearly filled to overflowing, interest in the many real estate opportunities to be had in Lombok is increasing steadily.

Just a short plane or boat ride from Bali is an incredibly diverse island rich in nature and culture. Dominated by the presence of the towering 3726m high Mount Rinjani, and surrounded by white sandy beaches, tropical islands, lush green interiors and dramatic headlands, it is an unspoilt paradise just waiting to be discovered.

Lombok is a large and diverse island with a different geography and culture to that of Bali and has many different areas offering many different lifestyle options. In contrast to Bali, most people on Lombok are Sasaks, a Muslim people with a culture and language unique to the island. Lombok has historically been a poor cousin to Bali's tourism boom but that is changing with large amounts of investment pouring in and an international airport being constructed in the island's south. To give you an idea of what Lombok has to offer it is best to look at the following specific regions and areas.

Lombok's south coast is extremely popular and is blessed with the island's best beaches. The popular Kuta beach for example is a magnificent stretch of pristine white-sand beaches and turquoise waters with rugged hills rising around it. Home to the new airport, real estate is booming with land prices have increased 200% in the last 12 months, driven by the demand in Bali and the desire for something new.

To the east is Senggigi, a well-known and lively tourist destination slotted between the ocean and Mount Rinjani National Park and offers lots of shopping, small hotels, villas and commercial business opportunities. Senggigi is home to the largest concentration of Lombok's expatriate community and has a large selection of cafes and restaurants and, due to the proximity to the airport and main ferry terminal, sees many transit tourists passing through en route to the Gili islands.

The Gili Islands are three small, but hugely popular, coral reef fringed islands off the northwest coast of Lombok: Gili Meno, Gili Air and Gili Trawangan and all three offer great real estate opportunities for both commercial and residential developments. All three islands have accommodation and restaurants but by far the most popular is Gili Trawangan, with many 2-5 star hotels and facilities available. Accessible only by speedboat and free from cars, the Gilis have some of the best beaches and diving in Indonesia and have got to be anyone's perfect vision of a tropical paradise.

Lombok's west coast has an abundant availability of land at affordable prices and passes secluded coves and white sand beaches. It offers mountain views and glorious sunsets in close proximity to the capital city of Mataram and the island's existing airport. The undeveloped north and east coast of Lombok, while being a long way from the major towns and tourist centres, boast beaches, mountains and spectacular views and land at unbeatable prices.

Written by Michael Travers

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Lombok's Time Has Come

by Adrian Batten

With its cheap land, magnificent forests, rugged mountain terrain, volcano and pristine white-sand beaches that outdo anything Bali has to offer, Lombok 's time in the investment sun may finally have come. Two major developments signal the sea-change from sleepy land bank to a potential Southeast Asian investment hotspot.

Emaar of Dubai last year signed a Memorandum of Understanding (MoU) for a massive 1,200-hectare development on the south coast. Meanwhile, the construction of the new international airport, located just north of Sengkol, will put the south-coast town of Kuta and many of the island's southern beaches within a 20 to 40-minute drive of arriving for the first time.

The new Lombok International Airport is due to be completed by 2009, when it will be open for domestic and regional traffic, while long-haul flights are set to commence the following year. The airport will have a landing strip of 2,750m, long enough to accommodate 747s and A310s.

Emaar, one of Dubai 's largest and most conservative worldwide investment and development companies, is one of the financiers for the airport, along with the Lombok local government, plus Japanese and Korean loans.

Sceptics await actual construction to commence on the Emaar and airport projects, but as of January all looks set. Land clearance on the airport has been completed, while the Emaar development concludes its due diligence.

Emaar leads the way

The Emaar development will cost somewhere between US\$600 million-\$800 million, according to varying reports, and will feature a marina, golf course, luxury private residences and resorts run by five-star hotel groups. The project will have 7km of water frontage based on Mandalika Beach in the Kuta/Tanjung Aan area, and will extend 1.7km back from the coast east and west of Kuta.

The Armani Group and Ritz-Carlton are said to have committed to the project. Villa communities will also be built in the hills featuring ocean views and sporting and recreational facilities. Mohamed Ali Alabbar, Chairman of Emaar Properties, stated that the new project will be environmentally friendly, low rise and culturally attuned to its surroundings. Emaar, he said, will also ensure suitable infrastructural measures for water, roads and waste disposal are put in place.

In addition to the various properties going in with Emaar, new hotels in Lombok are on the drawing boards for Accor, Banyan Tree and local hoteliers Tugu and Santrian.

The Emaar Group, which has already invested heavily in Asia , most recently in Singapore 's prestigious Raffles International School , further indicated that Emirates would be flying into the new Lombok airport.

With direct international flights to Lombok set to rapidly expand with the new airport's proximity to the island's many southern beaches, investment is heating up. In 2000, beachfront property

in Lombok could be picked up for US\$220 per Are (100sqm) or US\$9,600 an acre. Today, prime beachfront is going for 10 times that.

Australian Michael Martin, whose company Villas and Land has specialised in Lombok over the past five years, reports of sales from Hong Kong-based land funds, plus investors from Australia, Singapore and Japan, with purchases including land parcels of the order of 80, 50 and 20 hectares.

"Already, resellers have seen 100% profits over 18 months and 250% after three years," Martin says. "We can expect this to accelerate."

Villas and Land currently concentrates on developing villas in the area around Selong Belanak Bay but has also sold substantial lots all along the southern coast, which extends 40 km from Selong Belanak in the west to Awang Bay in the east.

To give an indication of current prices, Martin says all the land on the main beach in Selong Belanak has already been sold and currently commands prices of IDR20 million per Are. On the smaller beaches of Serangan and Torok Aik Belik, water frontage is still available at IDR7 million per Are and Rp10 million per Are respectively, decreasing as you head westward.

Inland properties with ocean views in the area can still be had for IDR2 million per Are. While Villas and Land had an early start with the Lombok market, established agent Exotiq is now also on the scene, having just opened up a new office in the Novotel in Kuta.

Time for a change

Where the new airport and new development in south Lombok will leave tourism in the northwest of the island remains to be seen. The past several years have not been kind to Senggigi and the resort has lost whatever vibrancy it once had. Much will depend on what happens to the existing airport outside Mataram, a short ride to Senggigi.

The airport is army owned and presumably will remain open for local flights. Most international flights will almost certainly use the new airport and high-end travellers are unlikely to want to spend over an hour's travel driving from the west. Upmarket resorts like the long-established Oberoi and new villa projects such as The Datu may prove to be immune to the distance factor.

For Senggigi and the Gilis the future challenge will be how creatively they can grasp the opportunities for the three-star market and deliver an attractive product to younger and economy travellers as well as going after the holiday villa market. There is no reason why the northwest should not see a revival of fortunes even if the property action has now moved to the south. Even the gorgeous Desert Point peninsula, famed among surfers, will start experiencing accelerating land appreciation.

Lombok has long been overshadowed by the mystique and allure of Bali. As a predominantly Muslim island, it lacks the dramatic artistic and ritual displays of Balinese hinduism and the accessibility of Balinese culture. Nonetheless, the island remains unspoiled and largely untouched by tourism development in a way that Bali hasn't.

That may be the best thing that Lombok has going for it in the years to come, if the powers that be are smart enough to avoid the excesses of Bali's development. In 2000, there was an outbreak of ostensibly Muslim-inspired violence directed against the government and non-local property owners. Seven rioters were shot dead by security forces and all foreign tourists were evacuated from the island. Nasty as the episode was, the importance of the incident should not be exaggerated. It was an isolated occurrence inspired and fomented by outside political influences active in Indonesia at the time, with no direct bearing on Lombok.

Much like the effect of the Bali bombings, Lombok's reputation as a destination has suffered unfairly through facile reporting and ignorance of the facts on the ground. The next six months will show clearly where Lombok is headed. If the new airport and Emaar development proceed as planned, investment in and visitors to Lombok will soar. Even if there are hitches, the genie is out the bottle and potential clear.