



AVA VIETNAM
Price Control Department
Ministry of Finance

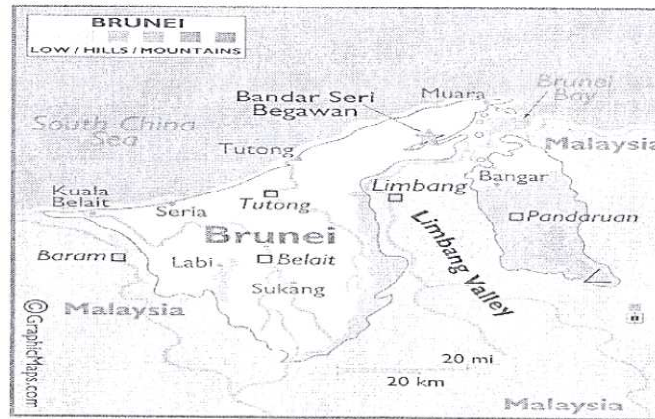
16th AVA PRE-CONGRESS

**BRUNEI DARUSSALAM
COUNTRY REPORT**

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**Palm Garden Resort
Hoi An, Quang Nam, Vietnam
27-29 April 2009**

Negara Brunei Darussalam



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Brunei Darussalam at a Glance:

- Population = 383,000
 - 260,391 under 40 years old (Statistical Year Book 2005)
- Land Area = 5,765 Sq.Km (2,228 sq.miles)
 - 75% of land area still covered by vegetation
 - tropical rainforest 'The Heart of Borneo'
- Private lands - 4% of total land area

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Key Economic Indicators

(Source: Statistik, JPKE)

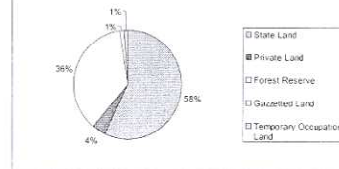
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real GDP (% Growth)	2.8	3.0	3.4	3.8	1.7	0.4	5.1	4.3	Not available
Unemployment Rate (%)		5.6	3.5	4.5	3.5	4.3	4.0	3.4	3.7
Inflation Rate (%)									
Base Lending Rate (%)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5

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Percentage of Land Allocation

Brunei Total Land Area: 5,765 sq.km
Shell Concessions= 45.51%

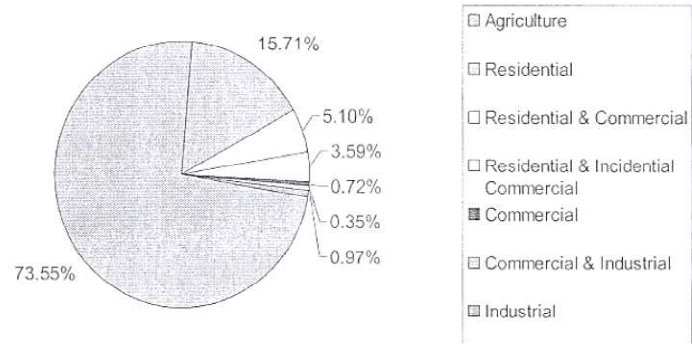


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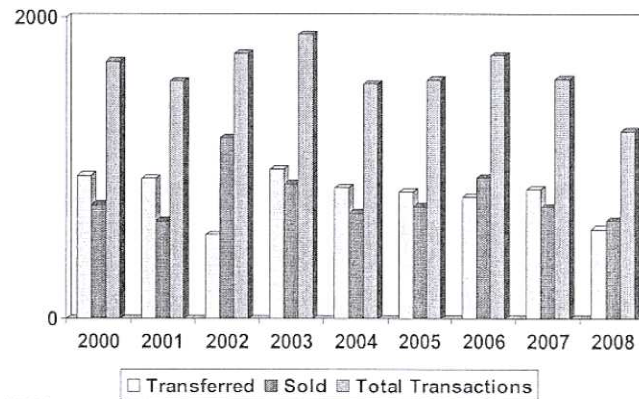
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PRIVATE LAND USAGE IN BRUNEI DARUSSALAM

(23,884.60 Hectare)



Land Ownership Transactions in Brunei Darussalam (2000 – 2008)



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Overview of Brunei Property Market

Most active locations	Tenants
Within Bandar Seri Begawan (BSB)	<ul style="list-style-type: none"> •Banking. •Multinational companies. •Diplomatic Missions offices.
Within 3km-15km away from central BSB	<ul style="list-style-type: none"> •Consulting offices. •Out of town supermarkets. •Local businesses.

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Overview of Brunei Property Market

Most Active Sector	High Demand for:
Residential	Newly developed houses •Vs 'second-hand' houses
Commercial	Established commercial area
Offices	Tendency for offices to move away from traffic congested areas – not reliant on 'walk-in' customers eg. consultancy firms.
Industrial	Double/ Single Light industry buildings

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Residential Property Market



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- Typically Detached Double Storey Houses
- Average land area $\pm 500\text{sq.m}/ 0.125\text{ acre}$
- Average Floor Area $\pm 200\text{-}250\text{sq.m}$
- Average Selling Price $\pm \$200,000\text{-}\$250,000.$
- Average Rental $\pm \$800\text{-}\$2,500/\text{month}.$
- Average Yield: 5%-8%

Commercial Property Market

Typically Two/Three Storey Shophouse

- Average Land Area
 - $\pm 180\text{ sq.m}/0.045\text{ acre}$
- Average Floor Area
 - $\pm 120\text{ sq.m. per floor}$
 - Typical lease length: 60 years
- Average Price;
 - $\pm \$300,000$ (Double Storey)
 - $\pm \$650,000$ (Three Storey)
- Average Rental;
 - CF - $\$2,500.00/\text{month}$
 - FF - $\$1,200.00/\text{month}$
 - 2F - $\$900.00/\text{month}$
- Average Yield = 5%-8%
- Trend for 'Mall-Type' development
- Central BSB Occupancy Rate: $\pm 70\%$



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Office Property Market



- Purpose-built office buildings
 - Rarely sold
 - none built since 2000
- Central BSB
 - Rental range \pm \$20.00/sqm
 - Occupancy Rate \pm 70%
- Outskirt BSB – typically on second & top floors of shophouse units
 - Rental \$600-\$1,500/unit/pm

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Industrial Property Market

Light Industrial Sites;

- Very limited.
- Government driven;
 - Infrastructure ready.
 - Design & build.
- Typical lease length;
 - 30 Years
- Average land area;
 - \pm 0.50 acre - 5.00 acre
- Average monthly rental;
 - \pm \$800.00 - \$2,500.00



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Hotel Property Market

- 15 hotels around Brunei-Muara district.
- Mostly managed by individual (family) investors.
- None sold.
- Occupancy rate \pm 30% - 70%.

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2000 houses in 2 years(2011)

- Managed by Brunei Economic Development Board (BEDB)
- 180 hectare greenfield site
- 60% terrace houses & 40% semi-detached
- Expectancies:
 - New business activities
 - New opportunities for Brunei economy
 - New impact on Brunei property market

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New building Fisheries industry

- Managed by Fisheries Department, MIPR
- 4.5 hectare adjacent to the Serasa beach.
- Project costs \$5.9 million
- Expected completed May 2010.
- Expectancies:
 - New jobs
 - New business activities
 - New opportunities for Brunei economy
 - Positive impact on Brunei property market

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Market Outlook for 2009

- Commercial Properties
 - Oversupply.
 - 'Tenants Power'.
 - Rental down by \pm 40% especially in older, poorly managed properties.
- Residential Properties
 - Price relatively stable.
 - Land/useable area getting smaller.
 - Demand substantial within \$140K - \$230K price range.
 - Preference for detached house.
 - Demand outskirts Municipal Area
 - Younger generation buying houses compared previous years.

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Demand for Residential Houses

Applications received by
Housing Development Department.

- \pm 40,000 units demanded.
- \pm 17,400 units prospect owners.
- Opportunities?
- Market Distortion?

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Expectations for 2009

- Implementation of
 - Strata Title Act
 - Valuers & Estate Agent Act
 - Developer Act
- Enforced New Building Tax between 10 – 15% of their return

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Main Characteristics of Properties Sought in Brunei

- ✧ Quality of properties.
- ✧ Quality of the surrounding environment.
- ✧ Quality of tenant-mix.

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THANK YOU

