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## International Investors Have Keen Interest to Enter Indonesian Property Market



### **Indonesia Real Estate Conference 2012 – International Investors Have Keen Interest to Enter Indonesian Property Market But More Clarity and Simplification Needed on Regulations**

Jakarta – Improving clarity in regulations, easing the entrance of international investor into Indonesia’s real estate industry as well as the need for critical expansion of infrastructure to speed movements towards a world class real estate industry in Indonesia – these were amongst some of the key take-aways from the Indonesia Real Estate 2012 Conference this week hosted by Clariden Global at the Four Seasons Hotel Jakarta.

Picture Captions:

*From Left to Right:*

*Chris Antonius, Country Managing Director of Rumah.com (PropertyGuru Group), Tony Eddy, Chairman & CEO of Tony Eddy & Associates, Eugene Leow, Economist (Indonesia and Philippines) of DBS Bank, Luke Rowe, Head of Residential of Jones Lang LaSalle Indonesia, Bill Barnett, Managing Director of C9 Hotelworks Company Limited, Nicholas Fraser, Strategic Investment Advisor – South East Asia of Palladium Group*

More than 100 developers, investors and financing representatives from diverse countries including Indonesia, The United States, Canada, Australia, Japan, Singapore, Hong Kong, Malaysia and Brunei congregated at the Indonesia Real Estate 2012 conference hosted by Clariden Global this week.

“This well attended event is a clear signal that international investors have a keen interest to invest into Indonesia’s booming real estate industry,” said Mr Lo Bok Yan, Managing Director of Clariden Global. “We aimed to provide a one-stop knowledge and networking platform to connect potential international investors with key property stakeholders in Indonesia, helping to clear misconceptions and improve the profitability of real estate investments into Indonesia.”

A growing economy, rapid urbanization, relatively lower prices together with increased per capita income & strong domestic demand for quality properties are amongst some of the factors driving international investor interest into Indonesia.

Guest of Honour, Secretary of the Ministry of Public Housing (Sesmenpera), Republic of Indonesia, Dr Ir Iskandar Saleh, inaugurated the conference. According to Dr Saleh, “Foreign ownership of property will directly contribute towards increased national income. However regulations set by the government about property selling prices & locations were still necessary”.

According to conference chair, Mr Rusmin Lawin, Secretary General of FIABCI (International Real Estate Federation) Asia Pacific, through conferences such as this, overseas investors will better understand the regulations and property prospects in Indonesia – that Indonesia’s property industry is not as frightening as they imagine. “I think this is a good opportunity to promote Indonesia’s property potential.”

Dr Ir Abdul Kamarzuki, Deputy Director for Spatial Planning and Regional Development, from the Coordinating Ministry for Economic Affairs shared with participants about infrastructure developments and investment needs within the MP3EI and the Metropolitan Priority Area (MPA) that will potentially open up areas for real estate investment.

During the conference, participants also identified trends and prospects for key property sectors in Indonesia such as residential, office, industrial, hospitality and retail. Landed residential, apartments and condominiums remain the highest in demand – underlined by data from the Central Statistics Agency (BPS) highlighting that Indonesia’s housing backlog has reached 13.6 million units in 2010.

With over 60% international participants in attendance, the conference was not short on active debates and discussions through a range of key industry expert panels covering critical issues such as managing land acquisition and foreign ownership hurdles in Indonesia, investing into Indonesia's real estate industry and growing a world class real estate industry in Indonesia. "Indonesia is not an easy market to enter and a long view is important" shared Todd Lauchlan, Country Head for Jones Lang LaSalle Indonesia.

According to Frank Khoo, Global Head of Asia for AXA Real Estate, Singapore investors have been the most active in intra regional real estate investments, followed by Malaysian and Korean investors. Ishak Chandra, Managing Director for Corporate Strategy & Services from Sinarmas Land shared on the importance as well as key characteristics of successful partnerships & joint ventures for property development in Indonesia, drawing on Sinarmas Land's experiences with strategic partners such as Itochu, Marubeni Corporation, Sojitz and Kalbe. Giving participants a strategic insight into his picks of the top 13 growing cities in Indonesia to invest in, Surabaya, Makassar, Bandung, Medan and Manado were Mr Chandra's top choices.

Senior domestic and international real estate & investment professionals in attendance included GIC Real Estate, MCL Land Limited, Mapletree Investments, Keppel Land International, Morgan Stanley, Sembcorp Development, PT Summarecon Agung, PT Jababeka Tbk, Mah Sing Properties, Interland Group, Community Housing Ltd, Pruksa Real Estate PCL, Pramerica Real Estate Investors (Asia), Waikato Invest Limited, DBS Bank, Global Logistics Properties, Sentul Raya Sdn Bhd, Malaysia Property Incorporated, PT PP (Persero) Tbk , PT Triyasa Propertindo, PT Trimegah Securities, WHRI Asia Pacific, Bintan Resorts International and Jebel Ali International Hotels.

Indonesia Real Estate 2012 hosted by Clariden Global was supported by Real Estate Indonesia (REI) and the Royal Institute of Chartered Surveyors (RICS) and sponsored by PT HK Realtindo, RSM AAJ Associates and Rumah.com.





Picture 2 Caption :

*Conference chair, Mr Rusmin Lawin, Secretary General of FIABCI (International Real Estate Federation) Asia Pacific*

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