



COUNTRY REPORT  
**BRUNEI DARUSSALAM**

**17<sup>th</sup> PRE-AVA CONGRESS**  
**CAMBODIA, 2011**



# Negara Brunei Darussalam





# Brunei Darussalam at a Glance.

- Population = 402,000 approx.
  - 232,000 between 20 and 50 years old
- Land Area = 5,765 Sq.Km (2,228 sq.miles)
  - 75% of land area still covered by vegetation
  - 60% tropical rainforest dedicated 'The Heart of Borneo'
- Private lands - 4% of total land area

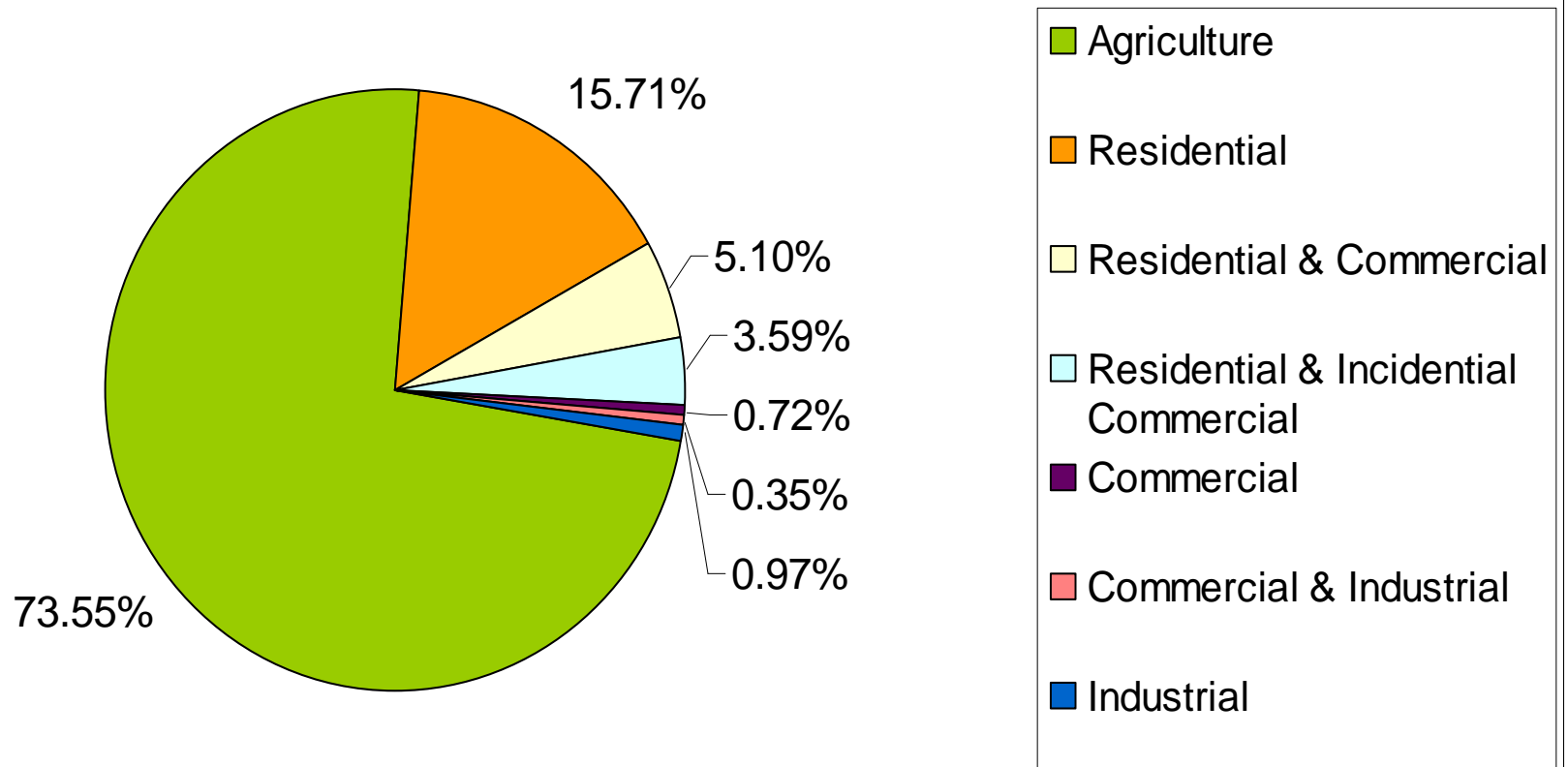


# General Economic Outlook

	2006	2007	2008	2009	2010
<b>Real GDP (% Growth)</b>	5.1	4.3	1.9	1.8	1.0
<b>Unemployment Rate (%)</b>	4.8	4.0	3.7	3.7	3.7
<b>Inflation Rate (%)</b>	0.90	1.10	4.0	3.0	2.7
<b>Base Lending Rate (%)</b>	5.5	5.5	5.5	5.5	5.5

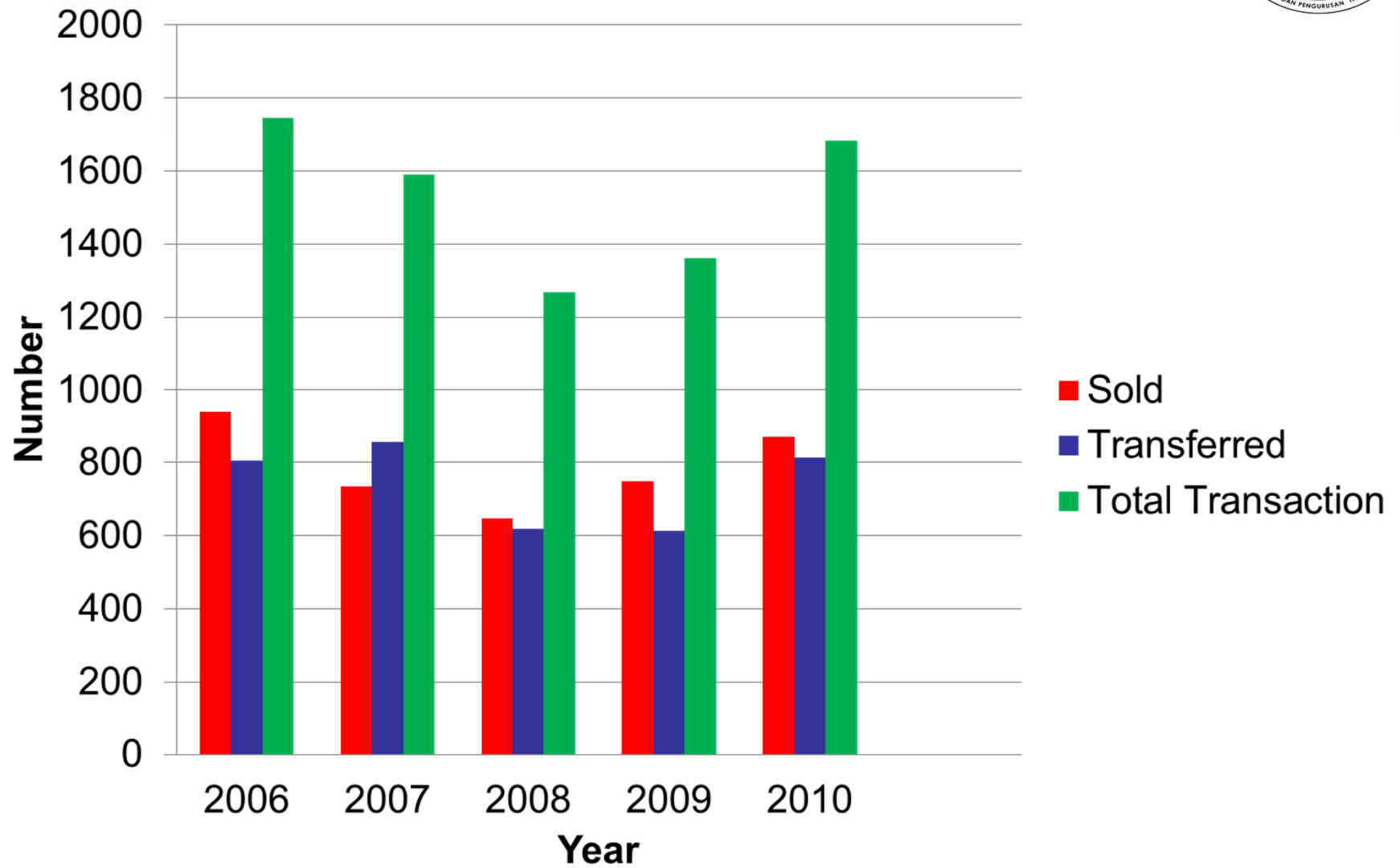
# PRIVATE LAND USAGE IN BRUNEI DARUSSALAM

(23,884.60 Hectare)





## Land Transaction Statistic : 2006 - 2010





# Property Market Overview

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



# Property Market Overview

<b>Most Active Sector</b>	<b>High Demand for:</b>
Residential	Newly developed houses •Vs 'second-hand' houses
Commercial	Established commercial area
Offices	Tendency for offices to move away from traffic congested areas
Industrial	Double/ Single Light industry buildings





# Residential Property Market



- **Standard Double Storey Houses**
- Average Land Area  
± 800 sq.m/ 0.200 acre
- Average Floor Area  
± 200 - 300 sq.m
- Average Selling Price  
± \$200,000-\$300,000.
- Average Rental  
± B\$800-B\$2,500/month.
- Average Yield: 5%-8%



# Residential Property Market

- **Quality Double Storey Houses**
- Average Land Area  
± 1,200 sq.m/ 0.300 acre
- Average Floor Area  
± 300 - 400 sq.m
- Average Selling Price  
± B\$300,000-B\$400,000.
- Average Yield = 6%-9%



# Residential Property Market

- **Standard Two Storey Terrace Houses**
- Average Land Area  
± 250 sqm/ 0.062 acre.
- Average Floor Area  
± 200 sqm
- Average Selling Price
- \$ 150,000 - \$250,000
- Average Yield = 5%-9%



# Commercial Property Market

Typically Two/Three Storey Shophouse

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





# Office Property Market



- Purpose-built office buildings
  - Rarely sold
- Central BSB
  - Rental range  $\pm$  \$20.00/sqm
  - Occupancy Rate  $\pm$  70%
- Outskirt BSB –typically on second floors and above of shophouse units
  - Rental B\$800-B\$1,500/unit



# Industrial Property Market

## Light Industrial Sites;

- Very limited.
- Government driven (BINA);
  - Infrastructure ready.
  - Design & build.
- Typical lease length;
  - 30 Years
- Average land area;
  - $\pm 0.50$  acre - 5.00 acre
- Average monthly rental;
  - $\pm$  B\$800.00 - B\$2,500.00.
- High demand for car workshops & warehouses.





# Hotel Property Market

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



# Market Outlook for Q3 & Q4, 2011

- Commercial Properties
  - Oversupply.
  - ‘Tenants Power’.
  - Rental down by  $\pm 10\%$  especially in older, poorly managed properties.
- Residential Properties
  - Price relatively stable.
  - Land/useable area getting smaller.
  - Demand substantial within B\$150K - B\$300K price range.
  - Preference for detached house.





# Strata Title

- Recently Introduced.
  - Valuers and Estate Agents Order.
- Low response.
  - However increase in multi-storey residential developments.



# Increase in Housing Needs

- Government support through Housing Development Department.
  - 50, 000 waiting lists for National Housing Scheme and Landless Citizen Housing Scheme
  - 2,000 houses recently completed costing B\$ 9.2million (BEDB).



# Main Characteristics of Properties Sought in Brunei

- \* Quality of properties.
- \* Quality of the surrounding environment.
- \* Quality of tenant-mix.



THANK YOU