

No Fuss, No Muss

Is Montigo Resorts' hassle-free property investment scheme as good as it sounds?

AS TOLD TO FARHAN SHAH PHOTO MONTIGO RESORTS, NONGSA



ABOUT 40 MINUTES AWAY by ferry is Montigo Resorts, Nongsa, a weekend destination that's becoming increasingly popular with Singaporeans looking for a bit of luxury at a reasonable price. After all, how do you say no to having your own private pool, a renowned spa that's been nominated for the 2016 World Luxury Spa Awards and stellar service. Montigo Resorts, Nongsa also offers something else: a fully-managed property investment scheme. We speak to Von Go, its general manager, about this investment proposition.

Tell us more about this ownership opportunity.

It's quite simple. You purchase a property, put it inside the shared pool and we rent it out to holidaymakers. We've been operating for four years, and in that time we've managed to sell quite a number of our Villas, Residences and Studio Residences to investors. We have 10 Residences and less than 20 Villas left for purchase. As for our more recent Studio Residences, we've sold about 12 units.

A Studio Residence starts from \$395,000, a Villa starts from \$600,000 and a Residence costs upwards of \$1.5 million. Each property has its own private swimming pool and patio, and as an owner, you are entitled to stay at your resort between 30 and 60 days, depending on the property. Extra days are chargeable.

What sort of general returns on investment are we looking at?

For the first three years you will get a guaranteed annual return of eight per cent on the purchase price. This yield is before Indonesia's personal income tax, which is currently

20 per cent for foreigners. Taking this into consideration, your net yield is at about five per cent, which beats many condominiums in Singapore that barely reach 3.75 per cent rental yield a year.

After the first three years your returns are based on the performance of the resort. Montigo Resorts, Nongsa is in its fourth year now and we're still going strong. Our occupancy rate is holding steady at around 60 per cent. We also have a good visitor return rate of 30 per cent. Furthermore we're getting a lot more visitors from Taiwan, Japan and India, many of whom have enquired about the property ownership scheme after staying at the resort.

Is there a buy-back scheme?

We don't have one but we do have a legal structure in place that allows owners to transfer the ownership of their investment. Having said that, I should mention that many of our owners are families who have bought the property for the purposes of vacationing and investing. There are even a few who have bought two properties.

How would you convince us that this is a good investment?

Well, Montigo Resorts, Nongsa has singularly managed to change Batam's image. In the past, people didn't see Batam as a suitable family destination but this has changed.

Our parent company KOP Limited has a stellar track record in property and hospitality. It has expanded the Montigo Resorts brand to Seminyak, Bali, and is planning to open another resort by 2019 in Shanghai. ☺

ABOUT THE EXPERT



Von Go joined Montigo Resorts, Nongsa as general manager after amassing years of experience in the hospitality industry. The perfectionist is constantly on the pursuit of customer satisfaction because he feels this is what separates the good from the best.

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