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Best financial advice for expats

Land Below the Wind



So is it worth taking the plunge? If the sea, sand and allure of this wonderful country appeal, a second home here has a great deal to offer. But if you are thinking about it purely as an investment, you may want to look hard at the numbers. Given that Nexus could well be letting your home for more than half of the year, you might feel that your fixed return, which you are locked into for five years, looks a little on the skinny side.

Not that this worries Michael Power, from Jersey, or his partner, Diane Tuckwood, from Leicester. Intending to live there permanently, they are already settled and staying at the hotel until their home is ready.

"When this development was announced, we rushed out and bought a two-bedroom spa apartment on the fourth floor," says Mr Power, who has been going there on holiday for seven years. "We paid £90,000. Already, we've seen the price of an identical one to ours rise to £140,000."

They have taken advantage of a new programme, Malaysia My Second Home, which enables foreigners wishing to retire here to obtain a long-stay visa for 10 years or more.

"We're both retired - I'm 62 and Diane is 61 - and we've both sold up at home," says Mr Power. "We've got a

21ft fishing boat in the lagoon, which is also part of the development, and we've never been happier. The health services here are second to none. I had a hernia operation two months ago: I saw a consultant on a Monday and had the surgery two days later."

Mr Chong believes prices will have risen substantially before the first phase completes at the end of this year. "This is the first project of its kind in the state. Only one other compares: it's three hours from here in Kudat, but is at the more luxury end of the market and is considerably more expensive," he says.

So what's the catch? There isn't one, insists Mr Chong. "The land laws remain based on British law, so property deals are easy to understand. There is no restriction to foreigners owning land and, unlike in Indonesia or Thailand, you get the title deeds. This even enables you to finance your leasehold property through a local bank where you can borrow at 6 per cent, the lowest rate in the region," he beams.

♣ One- and two-bedroom spa apartments at Nexus Bay cost between £110,000 and £140,000. Two-bedroom, semi-detached villas are from £230,000 to £300,000. Details: Colliers CRE (020 7487 1978, www.collierscre.com/residential). Details of 'Malaysia My Second Home' www.imi.gov.my/ENG/im_MalaysiaMy2Home.asp



Borneo-bound: retirees Michael Power and his partner, Diane Tuckwood, paid £90,000 for a fourth-floor, two-bedroom spa apartment at the resort permanently. Top left, an aerial view of the island; above left, one of the semi-detached homes on offer at Nexus Bay

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Africa Beauty and the beasts

Settled by the sea in the



A second home in Borneo? It's not as far-fetched as you might think, says **Jonny Beardsall**

It is a long haul and you have to endure more than 12 bottom-numbing hours on a plane before you slip into your sarong and flip-flops. But, if you overlook that, a second home on a sultry corner of Borneo is worth considering.

The island is divided politically between Malaysia, Indonesia and Brunei; the Malaysian state of Sabah, in the north, is one of the most charming places in the Far East. There, 40 minutes' drive from the international airport at the capital, Kota Kinabalu, is the daisy-fresh development at the Nexus Bay Resort.

Launched this spring, it is sucking in British investors, and second-homers amount for 80 per cent of the take-up. Many are expats working in Hong Kong and Singapore. They have warmed to what, until now, has been just an exotic hot-spot where you can peer at orangutans and clamber up the highest mountain in south-east Asia.

Sabah is especially seductive, particularly because only 2.5 million people live here. Just north of the equator, it enjoys a tropical climate with average temperatures ranging between 23C-32C throughout the year. Described as "The Land Below the Wind", because it is never battered by typhoons, it was a Crown colony until 1963, when it and a neighbour, Sarawak, became part of the Federation of Malaysia. Happily, the

Totally tropical: the Presidential Suite at the Nexus Bay Resort. Spa villas sell for £115,000; pool villas for £222,000

British are still held in high regard there.

North-east of the city, the Nexus Bay properties are on the 4,000-acre Karambunai peninsula, which is gated, guarded and serviced, and owned by the developer, which bought the land 25 years ago. On a six-kilometre stretch of curving beach, fringed with tropical palms and bougainvillea, some 1,200 beach-front holiday homes overlooking the South China Sea will be built during the next decade.

There is an initial mix of 243 fully furnished, two-bedroom, semi-detached or multi-storey, beachfront leasehold apartments, spread over 25 acres in the bay. The first 116 were all sold off-plan in less than six months when the first phase was launched last October.

The focal point on the peninsula is the resort's 500-room, five-star Nexus Hotel, a 15-minute stroll along the beach from the new homes. It opened in 1998, along with a handful of other resort hotels near the capital, at a time when the state government had really begun to promote tourism in Sabah, which, in 2006, saw visitor numbers hitting a record two million.

The immediate environs are lush and sultry. Golfers will doubtless appreciate the resort's championship course, but there are plenty of other things to do in Sabah. Internal communications are excellent; there is great fun to be had at

Sepilok's Orangutan Rehabilitation Sanctuary, on Mt Kinabalu or in the jungle in Danum Valley, diving off Sipadan Island or at the racecourse in Tanjung Aru.

Those who buy into the resort have two choices – lease-back or owner-occupied. The lease-back option is proving the most popular, making up 90 per cent of the take-up. Buyers are offered 20 days' free stay a year and, in leasing their property back to the resort, are "guaranteed" a return of between 7 and 7.25 per cent of the purchase price, in rental income for five years, whether it is let or not. For example, if you pay £115,000 for a spa villa, you will see an annual return of about £8,350; if you pay £222,000 for a pool villa, you'll get about £15,550.

On my recent visit, only the show house, a semi-detached villa, had been completed. It has a fun-size swimming pool and, with so much glass, you will be glad of it and of the air conditioning inside.

I point out that it seems scarily close to the waves. "Yes, but we've built well above the levels of the highest recorded tides," John Chong, the sales director, reassures me.

Strangely, despite the year-round sun, neither the new properties nor the hotel make use of the solar power. "The start-up costs for such energy-saving measures are too costly here," says Mr Chong.