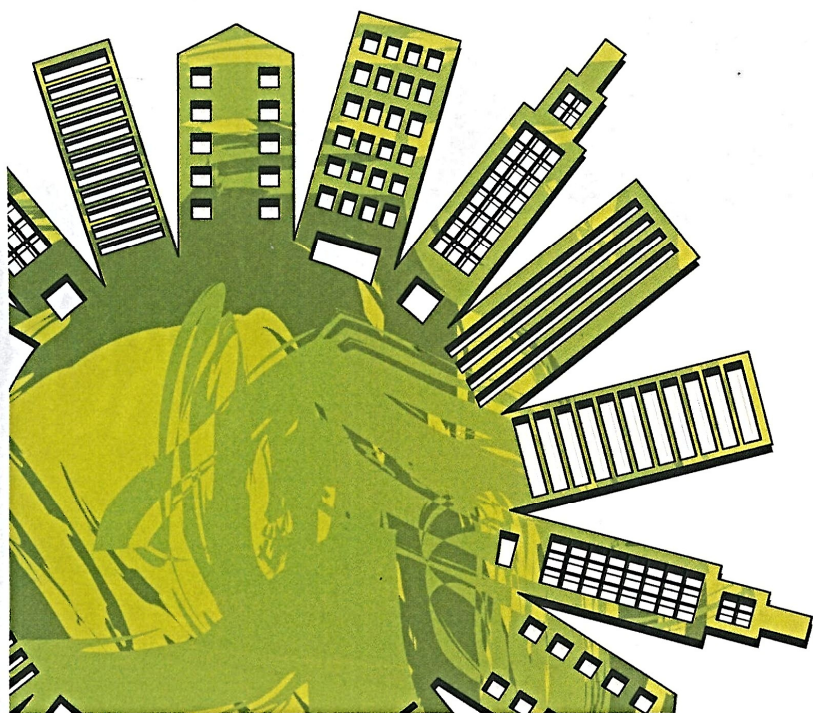




The celebrity endorsement mania hits high-end properties

by Anandhi Gopinath



Selling luxury condominiums is a piece of cake only when there is money to be spent on them. Once economies begin to slow down, even the rich become a little hesitant about putting down huge amounts of money on luxuriously well-appointed properties – sometimes it's not about having adequate funds but requiring more compelling reasons to spend it.

It's not just about having buyers with cash, but developers too – what sometimes happens is that the money runs out faster than the property can be built, leaving behind concrete shells that were supposed to become fancy homes. It's one of the many gaping, open wounds that recessions cause, and one that Malaysia is no stranger to.

It has happened in the US as well. As the subprime crisis caused the economy to plunge, several high-end properties were left orphaned as developers defaulted on their debts. The real-estate industry is beginning its rebound as the massive ship that is the US economy changes direction and steers forward, but developers have chanced on a unique way to make things move a little faster.

This is the age of condos with bragging rights – rather than rely on their own strong points, developers are adding another layer of value to their properties by tagging celebrity designers to them. It's intelligently done, though, because these aren't frivolous endorsements by any old celebrity, but credible and tangible efforts put in place by bona fide Hollywood heavyweights and notable designers.

For example, in Miami, musician, actor and, in recent years, interior designer Lenny Kravitz created some of the new interiors at luxury waterfront property Paramount Bay. Designer Victoria Hagan recently collaborated on the interiors of Philip House on New York's Upper East Side. Sales of a condominium project in New York's Battery Park also went up by 50% thanks to the involvement of celebrity interior designer and television personality Jonathan Adler, who recently furnished two model apartments in the building with his name-brand line of furnishings.

And chef Eric Ripert, owner of the Michelin-rated Le Bernardin and a frequent TV personality, is involved with a planned condominium in the city's Chelsea neighbourhood slated for completion in 2013.

This is called the "starchitect" revival, and it's all about developers gaining a competitive edge in the luxury market by bringing in big names to provide details and touches that raises a property's monetary value and provides some truly priceless PR in the process. Celebrity endorsements of this kind work, and there's proof too.

In a survey of 17 markets in the US and abroad, "branded" residential developments (those with hotel-like amenities where recognisable designers often played a large role) commanded sales prices that were 31% higher per sq ft than comparable non-branded projects. In New York, the premium is 12.4%, and in Miami it's 19.6%, according to a research by Knight Frank, a London-based real-estate consultancy, which was published in an article in *The Wall Street Journal*.

Closer to home, developers have adapted this trend by relying on the clout of their celebrity buyers to give a particular property a push in the right direction. For example, Ireka Corp Bhd's Tiffani Kiara is as famous for its luxurious facilities as it is for its residents – move in and you'll have neighbours such as fashion designer Datuk Bernard Chandran, show couturier Datuk Jimmy Choo and Singaporean actress Fann Wong. Meanwhile, one of the owners of Sime Darby Property Bhd's Turnberry Villas, a new high-end residential project located within the grounds of the Kuala Lumpur Golf & Country Club, is American golfer Michelle Wie.

In a new reality television series called *The Apartment – Style Edition*, Sime Darby took the fame factor to a new level. The show featured eight couples from around the region who were tasked to create daring, fabulous and fashionable living spaces at Veo Condominiums in Desa Melawati. The winner got a unit to keep, but the benefits were even better for Sime Darby – the attention that the property received was extraordinary. ■