

Branded luxury homes trend emerges in KL

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Their introduction a way for developers to entice buyers in slow market

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KUALA LUMPUR: More developers are partnering international luxury hospitality and lifestyle brands to give their new upmarket condo and serviced apartments in Kuala Lumpur city an edge, according to Knight Frank Malaysia.

"Hotel-like services such as concierge, security and room service provided by a luxury brand will help maximise the value of a development," said the real estate consultancy in its second half (2H) 2012 Real Estate Highlights report covering Kuala Lumpur, Penang and Johor Baru.

One such noteworthy product is the Banyan Tree Signatures Kuala Lumpur in Jalan Conlay, where all 441 units were sold at an average price of RM2,000 psf.

Ritz-Carlton will be managing its first residences built by Berjaya Land Bhd in Jalan Sultan Ismail. Other brands making their debut here are Four Seasons, Harrods Hotel & Residences and W Hotel & Residences.

The 150-room and 353-unit W Hotel & Residences will come up on a 1.28-acre site in Jalan Ampang and has an indicative pricing of RM2,000 psf, with a launch date sometime in the first quarter (1Q) of 2013.

The hotel will be managed by Starwood Hotels & Resorts Worldwide Inc while the residences will be run by its developer Di-jaya Corp Bhd.

Ireka Corp Bhd has also unveiled its RuMa Hotel & Residences in Jalan Kia Peng, which will feature a 263-room boutique hotel and 200 serviced residences, with the latter offering sizes ranging from 915 to 1,819 sq ft and priced from RM2,000 psf.

Introducing more luxurious and comprehensive services is just one of the ways developers add value to entice buyers in a slow market weighed down by large existing stock and low occupational demand for high-end condos/apartments, said the consultancy in the report.

Meanwhile, luxury apartment developments that are both completed and awaiting their Certificate of Completion and Compliance are St Mary Residences, Binjai 8, Verticas Residensi, towers 1A and 1B of Setia Sky Residences in KL City, Amarin Wickham in



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Ampang and Kiaramas Danai (Block A) in Mont'Kiara, bringing cumulative stock of high-end apartments in 1Q to 31,851 units.

A further 4,917 units of luxury high-rise homes will be added to existing supply in Kuala Lumpur city and Mont'Kiara this year including Crest @ Jalan Sultan Ismail, The Quadro Residence, Vipod Residences and 6 Capsquare in KL City, 9 Madge, Sastra U-Thant, phase one of One Kiara, 28 Mont'Kiara, and block B of Kiaramas Danai.

During 2H2012, the rental market continued to face downward pressure with a slight decline in rents in selected locations. The high-end condo market at KLCC and Mont'Kiara saw a slight drop in asking prices.

On the other end of the spectrum, the report noted that on the primary market, developers and buyers are moving towards the fringes of the city due to better access, thanks to the upcoming mass rapid transit line and other infrastructure projects, as well as the relatively more affordable prices.

Besides formulating better deals towards lower entry cost for buyers, developers are also coming up with smaller homes to meet the needs of first-time buyers who are sensitive to pricing, said the report.

In Penang, the Knight Frank report said the outlook for the luxury condo market is one of increasing caution as prices are high and the residential rental market appears to be weakening. "Although capital values are

holding, a period of consolidation is likely to follow," said the report.

Prices of older condos within the prime parts of Tanjung Bungah and Pulau Tikus have risen to RM650 psf from RM430 psf, while newer completed developments are priced at RM500 psf to RM800 psf.

Asking rents for older condos range from RM5,000 to RM8,500 per month, while rents for fully furnished new condos dropped from RM8,000 to RM13,000 previously to RM7,000 to RM12,000.

Some notable luxury condominium projects unveiled in 2H2012 include Eastern & Oriental Bhd's Tower 1H of Andaman Quayside and The Landmark Penang in Tanjung Tokong that is jointly developed by Katana Developments and BSG Property.

Andaman Quayside's Tower 1H was launched in 3Q2012, achieving 40% sales so far with unit sizes ranging from 914 to 2,755 sq ft and prices from RM1,500 to RM1,700 psf. In comparison, earlier phases saw take-ups from 70% to 90%.

Meanwhile, The Landmark Penang achieved a 50% take-up prior to launching, with sizes from 2,622 to 7,266 sq ft and prices at about RM1,055 psf.

Over in Johor, the outlook for the luxury condo/serviced apartment market will be supported by the growth of Iskandar Malaysia while developers there anticipate a rising trend towards high-rise living from the younger generation and from Singaporeans.