

# THE BRAND, THE STARCHITECT AND THE BUCK



by Alexander Karolik-Shlaen

The financial hub of Makati City



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**A**s this is the beginning of the year, I am right on my task to predict the future of luxury investing.

Our region is producing an enormous amount of wealth and the 'millionaire manufacture' in our region will have implications on global property. We are already very familiar with the enormous wealth creation in China. In 2013, almost 100 million Chinese tourists travelled overseas, and that motivates Chinese investors to invest in foreign property, be it residential or commercial.

The Hong Kong-based Kai Yuan Holdings just bought over the Paris Marriott Champs Elysees landmark hotel for USD467 million. Waldorf Astoria in New York was bought a bit earlier by Chinese insurer Anbang for US\$1.9 billion.

The trend shows some 30 per cent annual increase in buying by the Chinese in Asia Pacific alone. And the recent relaxation in investment process from China's authorities will only strengthen this demand for high quality property investment.

Chinese investors will buy more in their major target cities of Hong Kong. >>

Donald Trump Tower rises in the Philippines





*Tonino Lamborghini*

CASA



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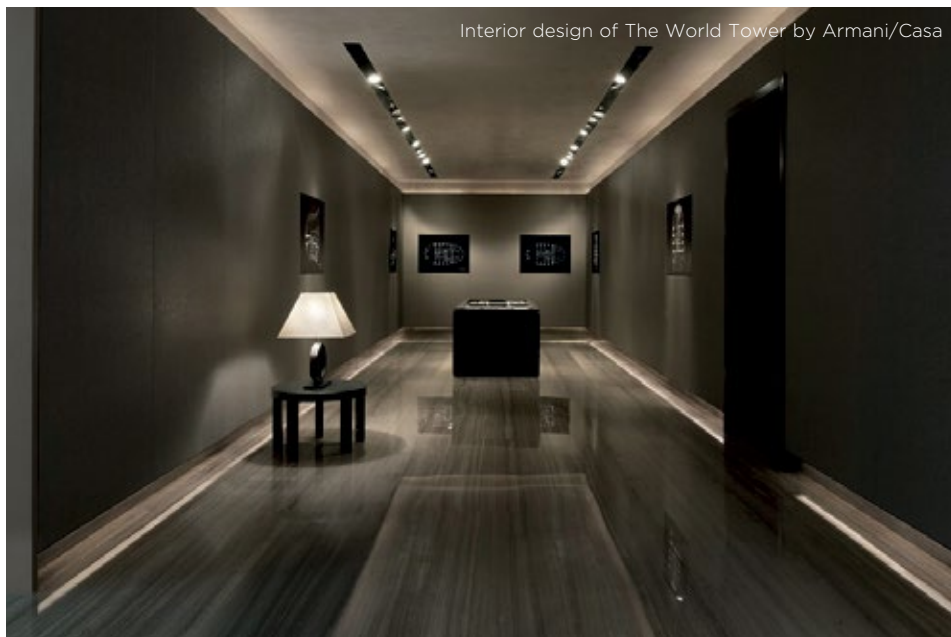
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Interior design of The World Tower by Armani/Casa

important and relevant for investors in luxury property.

Very high-end interiors usually go hand in hand with luxury brands. Most urban developers hail their properties as 'luxury' only because their locations are prime, without necessarily investing enough in design and luxurious interiors, engaging qualified interior designers or using luxury brands. Too frequently, a 'luxury' property is marketed at a very high per-square-foot price tag with scant attention given to interior design. This results in very poor interiors and layouts.

Luxury brands, interior designs and designers don't just add buzz that attract buyers to a project, >>

>> Sydney, London, Paris, New York, San Francisco, Vancouver, and, to a lesser extent, Singapore.

Unfortunately, the cooling measures on residential property in Singapore has affected the high-end market the most; yet, hospitality and commercial property in the Lion City is still shining bright with some high-end hotels selling at over US\$1 million per room.

Worldwide, the highest end luxury will go further through extreme demand and price peaks.

All these monies will chase the exceptional luxury items. There will be more record-breaking transactions of very unique diamonds, art, collectibles and, of course, property.

As our region becomes more affluent and billions of dollars flow into the Asian financial and real estate markets, there is more investing in luxury property, more so in branded properties – the epitome of luxury.

Branded property is increasing in popularity and becoming more

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The architecture and interior of Tower III, EA Apartment, Xiamen, People's Republic of China, are both designed and furnished by Formitalia



>> they also bring expertise, tradition and well-deserved reputation. The value of such branding is well worth the added cost. That additional cost might be too expensive for cheap markets and poor locations, but in high-priced popular locations, it's worth considering.

Branded properties in the region have recently received a boost from entry of major 'starchitects' in the market. Architects such as Moshe Safdie became a major draw to buyers and investors on par with other more traditional brands such as St Regis Residences.

Manila is one stark example. Being totally off the radar screens of super brands and architects just a



BEKO Masterplan by Zaha Hadid Architects, Belgrade, Serbia



Ground Zero Master Plan by Daniel Libeskind

few years back, it is now arguably boasting more branded properties than even Singapore.

Trump, Armani and Libeskind, to name a few, are completing projects in Metro Manila - already I hear that Zaha Hadid is in talks to add her signature property to the crowded branded landscape of Makati. These properties are reaching staggering heights in the per-square-metre price in the ever growing Philippines capital.

Big name designers and brands attract significant attention from investors, buyers and the media who are fascinated by them. The pricing naturally reflects the design, but it is relatively easy for developers to pass the cost on to buyers because buyers of such luxury properties appreciate the added value of these super designers. 👑

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*Luxury brands, interior designs and designers don't just add buzz that attract buyers to a project, they also bring finesse, their tradition and a well-deserved reputation.*

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