

PALACE

ASIA'S ELITE PROPERTY SHOWCASE

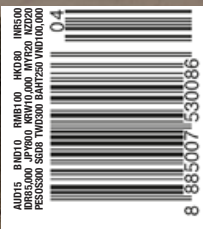
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LUXURY
PROPERTIES
FOR SALE



07

Oct Dec 2013



PERFECTION IN PARK AVENUE

EXCLUSIVITY, GLORIOUS VIEWS
IN MIDTOWN MANHATTAN APARTMENT

SENTOSA Paradise Island | ISKANDAR Brunnsfield
| KOH SAMUI Villa Suralai | SYDNEY Baywatch
House | PROVENCE Coco Chanel's Villa
Plus: Market Reports on SE Asia and Hong Kong

THIS MANHATTAN
PENTHOUSE IS
FOR SALE Pg 74

TOPS OF THE WORLD

by Alexander Karolik-Shlaen



Singapore and the regional media are abuzz about a property on Nassim Road that was put on the market for a record US\$242 million a few months ago. I thought it's a good time to look around the globe for some comparisons and see if there is any 'take-away', as per business school lingua, from the trend of high-priced properties.

In Britain's, the most expensive house has gone on sale last year for US\$460 million – double that of the highest priced Singapore property and almost 1,900 times the average British property price of US\$260,000. The house in Rutland Gate, Knightsbridge, has seven storeys, 45 bedrooms, several lifts and a swimming pool.

A few months ago, Monaco's most expensive penthouse will be a spectacular 3,300sqm multi-storey unit complete with an exclusive infinity pool with a water slide. One estimate for the value of this apartment suggests it could fetch as much as US\$413 million when it is



released onto the market in 2014. The property will boast floor-to-ceiling windows and private terraces with panoramic views of Monaco and Larvotto beach.

In the US, the US\$190 million Copper Beech Farms in Greenwich is currently the most expensive property on the market, ousting the Crespi-Hicks Estate in Dallas, previously the most expensive at US\$135 million. They are followed by the US\$125 million Fleur de Lys estate in Los Angeles and Miami's Casa

Casuarina – a mansion formerly owned by the late Gianni Versace – which was offered at US\$100 million but was sold for a meager US\$41.5 million.

Other super-expensive properties on the market include the US\$100 million CitySpire penthouse in New York City, two additional US\$95 million apartments in New York, and the US\$95 million Beverly House in Beverly Hills – where we would expect to see über-priced properties in the first place.

In per-square-footage, Hong Kong remains the most expensive, with high-end property going for nearly US\$11,000psf in 2012. The size of a local "billionaire property" on the island is 5,200sqft, making the average luxury home valued at more than US\$57 million. Meanwhile, the record for the city's most expensive deal >>



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One Hyde Park



Beverly House

>> is held by a house on Deep Water Bay Road that fetched about US\$13,000psf in 2011.

Another extreme case of priciest property was recorded in Japan where, at the height of the Japanese property bubble, the 3.41sqkm Imperial Palace grounds in the heart of Tokyo were valued at more than all of Canada! That property was never on the market, of course.

So what is the most expensive property ever to register on the market in recent times?

Per square-foot, that will be The Penthouse, One Hyde Park in London, developed by my fellow judge of Southeast Asia Property Awards, Mr. Nick Candy. A two-floor, six-bedroom apartment overlooking Hyde Park was bought by Rinat Akhmetov, Ukraine's richest man, for around US\$220 million.

Meanwhile, the most expensive property by quantum is probably the US\$1billion, 27-floor Antilia tower in Mumbai. It was built by billionaire Mukesh Ambani who apparently spent about five per cent of his fortune on the project. Its garage can accommodate 168 cars; 600 people are employed to keep this 'home' running as well as to see to Mr. Ambani's collection of antique sewing machines the largest such collection in the world.

Can these most expensive properties be compared to each other? In other words, are we comparing orange to orange? I would say, not exactly. But, definitely, we are solidly within the same family of (golden) citrus in this comparison.

And what does it teach us about Singapore and our region?

Firstly, it's obvious that Singapore

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and by extension, ASEAN has arrived and joined the top league of the most expensive places on earth despite draconian government measures to cool the market.

Secondly, the most expensive properties on the market tend to signal that there are people in the same über-echelon of wealth who can afford such extravagant property. Just think about the agency fee for such property, or a monthly payment for the loan, if such property should be mortgaged.

And lastly, it shows that property price can go beyond anybody's imagination. Just a few years back such eye-popping property prices did not exist in Singapore or in Southeast Asia. There are so many more expensive properties around the world; don't be surprised if we hear of another record-breaking one in Phuket, Bali, Sentosa or Jakarta a few years from now. 🏰

Economist Alexander Karolik-Shlaen holds an Executive MBA from Kellogg School of Management and HKUST. He is the founder of Panache Management Pte Ltd which represents Aston Martin Interiors, Tonino Lamborghini Casa, Mercedes Benz Style and Formitalia design lines in Asia. He is also a serial real estate investor. He chairs the panel of judges of Southeast Asia Property Awards. www.PanacheManage.com



Antilia, Mumbai