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CITY&COUNTRY

Jimmy Choo goes from shoes to 'shoeboxes'

| BY CECILIA CHOW |

Malaysian-born and London-bred Jimmy Choo, shoemaker to the world's biggest stars and fashionistas, has attached his name to an upscale mixed-use development, aptly called Star Residences, in Kuala Lumpur City Centre (KLCC). Last month, Choo signed on as an ambassador of the project and became the inaugural star on the Star Boulevard "Walk of Fame", which is akin to the Hollywood Walk of Fame. An OBE (Officer of the Order of the British Empire) since 2003, Choo has also been Malaysia's tourism ambassador for the last five years.

"We intend to bring in international stars to appeal to tourists visiting Malaysia," says Alan Koh, COO of Alpine Return Sdn Bhd, the joint-venture company formed by Symphony Life (former Bolton Bhd) and United Malayan Land. "We're working very closely with Tourism Malaysia."

The project is located at the corner of Jalan Yap Kwan Seng and Jalan Mayang, just across the road from the Petronas Twin Towers, and is slated to be a future landmark in the KLCC.

Beyond the celebrity endorsement, Choo has purchased the penthouse in the first tower at Star Residences. At 2,251 sq ft, the four-bedroom penthouse is the largest unit in the tower and is tagged at RM3.3 million (\$1.3 million). "In interior design, what is most important is also quality," says Choo. "You have to see whether the design looks good. For instance, in designing shoes, [it's about] whether people will look at it and say, 'Oh I would like to have a pair as well.'"

'Bite size'

That seems to be the reaction to Star Residences, according to the sales performance of units in the first tower. The 57-storey tower was soft-launched early this year, and to date, 80% of its 557 units have been sold. Prices had averaged RM1,600 psf, with the remaining units now going for RM1,700 to RM1,800 psf. About 90% of the buyers are locals, with the rest being foreigners. However, the major-



Koh (left) with Choo, who is endorsing Alpine Return's upscale project in the KLCC area

ity of the buyers are said to be investors. Koh attributes the strong take-up rate to the "bite size" absolute prices of the units — RM1 million to RM1.3 million.

A good 95% of the units in the first tower of Star Residences are one- and one-bedroom-plus-study types, with sizes of 625 to 722 sq ft. These can be leased to corporate tenants, for instance, those in the financial sector as well as the banking or oil and gas industry, which have their offices in the KLCC area. "Most of these corporate tenants are looking at a minimum lease of a year," says Koh. Based on a rental rate of RM6 to RM8 psf a month, gross rental

yields will work out to 4.75% to 5% a year.

The two other residential towers of Star Residences will be mirror images of each other, and will contain 482 units each. Unit sizes will be larger — averaging 700 to 800 sq ft — and the interiors will have more premium finishings and fittings. The second tower is expected to be priced at RM2,000 psf, the prevailing market price in the KLCC area, says Koh.

He is also in the midst of exploring the possibility of converting the third tower into a serviced apartment block to be managed by a third-party operator.

"Most of the condo projects in the KLCC area [comprise] large, luxurious units," says Koh. "We have a niche in this market segment, with small apartment sizes at affordable prices."

F&B and entertainment hub

Besides the three residential towers containing more than 1,500 units, Star Residences will also contain a six-storey commercial podium with a net leasable area of 130,000 sq ft, called the Star Boulevard. Fronting it will be the 200m-long Star Boulevard Walk of Fame which will feature 36 stars. One star has already been taken by Choo. The commercial podium will be positioned as an F&B and entertainment hub, says Koh. It will be subdivided into 30 strata units of at least 3,000 sq ft each. The upper-floor units will be priced from RM1,900 psf, while those on the ground floor will be around RM3,000 psf.

Koh reckons the strata units on the upper floors of the commercial podium can be leased at RM9 to RM10 psf a month, while ground floor units could be leased for RM15 psf a month.

To control the tenant mix, the developer will form an asset management company that will sign an agreement with the respective owners for three years, with an option for an additional three years. The asset management company will handle the positioning and marketing of the commercial units, as well as secure the tenants and manage the units on behalf of the strata owners.

"We're thinking of getting the likes of Zouk or Ministry of Sound," says Koh, Koh, referring to two popular night clubs. He is also looking at turning one of the upper floors into an aesthetics centre. In the works is a "celebrity restaurant" — with Choo a co-owner together with other stars — as an anchor tenant on the ground floor.

Construction of the RM3 billion Star Residences is scheduled to start in November, with completion targeted for 2018. Meanwhile, the second residential tower is expected to be launched in mid-2015, with a major launch in Singapore in the pipeline. ■