

KSK Land launches second tower of KL luxury project 8 Conlay

| BY TIMOTHY TAY |

A luxury mixed-use development in the heart of Kuala Lumpur, 8 Conlay, marks the first foray into property development by Malaysia's KSK Group Bhd.

"It has been our chairman's lifelong dream for the company to branch into property development," says Joanne Kua, CEO of the group. KSK Group, an insurance conglomerate that operates in Malaysia and Thailand, was privatised in 2012 and changed its name from Kurnia Asia Bhd. KSK Group was founded by Kua's father, Sian Kooi, who is executive chairman of the group.

"We want to position KSK Land as a lifestyle-focused property developer," says Kua, who is also managing director of KSK Land, the property arm of KSK Group. "We jumped at the chance to develop a luxury residential development on the Jalan Conlay site," she adds. The site was one of the last pieces of undeveloped freehold land in Kuala Lumpur City Centre (KLCC), the location of Malaysia's iconic Petronas Twin Towers.

The 1,062-unit 8 Conlay, named after its auspicious address at Jalan Conlay, is on schedule to be completed by 2H2020. It has a gross development value of RM5.4 billion (\$1.82 billion). KSK Land purchased the 1.6ha site in 2014 from Suasana Simfoni, a 60%-owned subsidiary of Singapore-listed UOL Group, for RM568 million (RM3,299 psf). "When we acquired the site, people asked us why we paid such a high price. But for us, it is the value we can create on the land and what will be developed on it," says Kua.

Y008 serviced by Kempinski

8 Conlay comprises three high-rise towers and a nine-storey retail podium. The 62-storey Tower A has 564 branded residential units and the 57-storey Tower B has 498 branded residential units. Both towers will be serviced by Switzerland-based hotel group Kempinski Hotels and designed by UK-based residential and hotel design firm YOO. The third tower will be the 68-storey Kempinski Hotel, featuring 260 rooms and 300 strata-titled hotel suites. The Kempinski Hotel Kuala Lumpur will be Kempinski's first and only hotel in Malaysia.

The residential towers will feature branded residences called "Y008 serviced by Kempinski". Kempinski Hotels was the first and only hotelier

KSK Land considered. "A consistent luxury service for both the residential and hotel components is one of the key requirements of a good branded residence," she notes.

London-based YOO was also the first pick to design the interiors of the branded residential units. Units in Tower A are designed by Hong Kong-based designer Steve Leung, while units in Tower B are designed by UK-based interior designer Kelly Hoppen for YOO. The unit layouts in both towers are similar and their areas range from 700 to 1,300 sq ft for one- to three-bedroom units. Most of the units in Tower A overlook the nearby Royal Selangor Golf Club, while most of the units in Tower B have views of KLCC. "Living in the heart of the city makes it difficult to get views of green spaces, and a view of the Petronas Twin Towers is one that many foreigners and locals aspire to have while living in KL," says Kua.

The podium will feature 200,000 sq ft of retail space across four floors, a banquet hall and a five-storey car park. The retail area will be a curated open space with F&B options, says Kua. KSK Land will be announcing some of the tenants at year-end.

Branded residences

Globally, branded residences such as 8 Conlay command an average premium of about 30% over other luxury properties, says Kua, adding that the current premium for branded residences in KL is about 10%. When 8 Conlay is completed in 2020 and occupancy increases, she expects that it will set a new benchmark premium rate for branded residences in the city. There are not many comparable luxury properties in KL and there are no branded residential developments set to be completed in the city in the next two years, she says.

Completed branded residential developments in KLCC include Pavilion Banyan Tree Signatures, The Ritz-Carlton Residences and Four Seasons Place. The 441-unit luxury development Pavilion Banyan Tree Signatures launched its units from RM1,800 psf, but units there have recently changed hands for about RM3,000 psf, as have units at the 242-unit Four Seasons Place.

Branded residences in KL are among the most affordable luxury properties in Southeast Asia at the moment, says Kua. The sustained price growth in the last few years signals that demand for properties in this niche segment of the market



Kua: Singaporean buyers who purchase luxury units in KL feel that the luxury market in KL is more affordable than that in Singapore

PICTURES: KSK LAND



Living room with the Spring theme (left) and a master bedroom with the Urban theme (right) by Hoppen



Interior of Hoppen's recent projects was designing the interiors of a lakeside house developed by YOO



The lounge area on the 44th floor of 8 Conlay

increase in the coming years as the Malaysian economy continues to pick up, she adds.

KSK Land launched units in Tower A in early 2016 at RM2,700 psf; recent transactions at Tower A were about RM3,200 psf. The developer started selling units at Tower B earlier this month, and has already sold some units. Prices start from 3,250 psf. In Tower B, one-bedroom units are between 705 and 776 sq ft, two-bedders are between 945 and 1,155 sq ft and three-bedroom units are 1,328 sq ft.

The two common areas, on the 11th and 44th floors, are designed by Thai landscape studio TROP. A lap pool and indoor gym will be located on the 26th floor while a lounge and open air landscaped area will be on the 44th floor.

Foreign buyers

About 80% of the buyers at Tower A are foreigners and Kua expects to see the same percentage at Tower B. Buyers from Shanghai, Beijing, Hong Kong and Taipei constitute the biggest group of foreign purchasers, followed by those from Japan, Singapore, Indonesia and Thailand. The units are bought mainly as seasonal homes, says Kua.

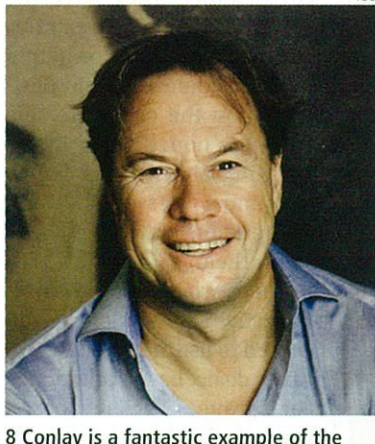
Many of the foreign buyers have participated in the Malaysia My Second Home (MM2H) Programme, she says. MM2H is an international residency scheme that grants foreigners



This is the first time Hoppen is designing for a project in Malaysia

the right to live in Malaysia for up to 10 years on a renewable, multiple-entry social visit pass. Incentives include the option for the participant to bring their parents into Malaysia under a long-term visa. Many Chinese buyers intend to bring their elderly parents to stay in 8 Conlay during winter.

Singaporeans make up about 5% of the total number of purchasers at 8 Conlay so far. "Singaporean buyers who purchase luxury units in KL do so because they feel that the luxury market in KL is more affordable than that in Singapore," says Kua. She reckons that the cancellation of the KL-Singapore High-Speed Rail project will not dent demand from Singaporean buyers. "Being in a central location in KLCC, where the sup-



8 Conlay is a fantastic example of the collaborative efforts between designers and property developers, says Hitchcox

ply of land is limited, means we are more resilient to unexpected changes and announcements. While the project would have made the journey more convenient, its cancellation does not impact current travel times between Singapore and KL. [The High-Speed Rail project] was never a major reason for Singaporean buyers to invest in property in KL," she says.

Kelly Hoppen for YOO

KSK Land is the only developer in Southeast Asia to collaborate with both Steve Leung and Kelly Hoppen. 8 Conlay is a "fantastic example" of the close collaborative efforts between designers and property developers, says YOO chairman John Hitchcox. "YOO8 serviced by Kem-

pinski is an attractive residential development not only because of the great Kempinski service, but also because buyers know that Kelly Hoppen's particular design style reflects the highest-quality luxury lifestyle," he adds. The Kelly Hoppen for YOO style fuses the Eastern principles of simplicity and balance with the Western taste for luxurious finishes and textures, he explains.

Hoppen believes 8 Conlay will be a "sellout" project. "I have never taken on a project which I personally did not believe would be successful," she says. Her two design concepts for the 498 units in Tower B are Urban and Spring. This is her first time designing for a project in Malaysia.

"Coming up with names such as Urban or Spring is just a selling tool for marketing; the important factor is what is designed for the space," Hoppen says. "I visualise walking through the space, sleeping and waking up, seeing the marble on the wall and the runner down the floor and the metal inlay design. I know what

pleases me and I try to recreate it." One of her most recent projects with YOO was designing the interiors of a lakeside house at The Lakes by YOO, a 340ha lakeside residential development in the Cotswolds, UK.

Beyond Malaysia

While KSK Land remains focused on delivering an outstanding product at 8 Conlay to buyers, Kua admits that she has started to think about future projects. She wants to position the company as a city-focused lifestyle property developer. "We chose as our first project an integrated development with branded residences to earn the confidence of consumers and the market," she says.

KSK Land remains focused on its strategy to develop projects in the Klang Valley and on Penang island for now, but it has also started exploring international markets to enter, such as central London, Singapore and Bangkok. "The global market is still quite volatile and we will continue to assess the right time to expand," says Kua.