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MALAYSIA BUSINESS REPORT

PROPERTY

KL OFFERS FIVE-STAR HEIGHT OF LUXURY

Still under the radar for many, Kuala Lumpur is a hub of stylish apartments where you can enjoy the high life, writes **Peta Tomlinson**

Interiors by British celebrity designer Kelly Hoppen, or Hong Kong design luminary, Steve Leung. A sky-high infinity pool, 64 storeys above the city. A home in the heart of the new Kuala Lumpur International Financial District. This is just a glimpse of the kind of lifestyle amenities developers are infusing into high-end residential projects in Malaysia's capital city.

As testament to the increasing sophistication of the sector, Dominic C. Heaton-Watson, associate director, international project marketing at Knight Frank, says branded residences set the benchmark.

"Branded residences are very well accepted in the international market nowadays and Kuala Lumpur is home to a number," he says. Names like Ritz-Carlton, Four Seasons and Banyan Tree are "great examples of an instantly-recognisable five-star brand", says Heaton-Watson, while new branded

property 8 Conlay, with interiors by Kelly Hoppen and Steve Leung, brings a designer influence. "These projects demonstrate that Kuala Lumpur is a city that has worldwide appetite for luxury and designer products," Heaton-Watson says.

From an investment perspective, owners can earn a "decent income" of around 3.5 to 4.5 per cent on such branded properties, he adds.

Joanne Kua, CEO of KSK Group, developer of 8 Conlay, a new landmark in the heart of Kuala Lumpur, says 75 per cent of buyers to date are foreigners, including those from Hong Kong, tier-one mainland cities, Taiwan, Japan, South Korea and Singapore.

Situated between Kuala Lumpur City Centre (KLCC) and the bustling Golden Triangle neighbourhood, 8 Conlay is an integrated development consisting of three towers on top of a four-storey lifestyle retail



Aira Residence, a prime property being built in Damansara Heights, an affluent, established area appealing to rich individuals. Photo: Handout

podium. It is defined by the world's tallest twin spiralled towers devoted exclusively to branded serviced residences, called YOO8 and serviced by the Kempinski hotel group.

Buyers will find exclusive interior design concepts by Steve Leung & YOO (Tower A) and Kelly Hoppen for YOO (Tower B), with in-house services provided by the adjoining five-star Kempinski Hotel.

Compared with other destinations in Southeast Asia such as Thailand, Hong Kong and Singapore, Kuala Lumpur has the most "affordable" price per square feet in branded service residences and offers high-quality residential products at lower entry costs, Kua adds.

"Foreigners can buy freehold properties in Malaysia and share the same rights with locals as it is under the British Torrens system," she says. Under this land registration and transfer

system, the state creates and keeps a register of land holdings.

The appeal of Malaysia as an investment destination with robust GDP and a rapidly growing and diversified economy, is also an attractive factor, Kua says.

Nick Siev, associate director at Hartamas Real Estate, which markets Malaysian properties in Hong Kong, says educational opportunities are another big pull factor.

"Many buyers want to relocate their kids to study in Malaysia, which has many prestigious international schools and universities at least 50 per cent cheaper than in Hong Kong," he says, citing Epsom College and Marlborough College from the UK, Monash University from Australia, and British tertiary institutions Heriot-Watt University, and the Universities of Reading, Nottingham and Sunderland.



In the heart of KL, Star Residences offers luxury with world-class hospitality services. Photo: Handout

"When Hong Kong people realise Malaysia offers good health care, education and quality of living, they realise it is a good package," Siev adds.

Projects Hartamas is currently marketing include Star Residence in KLCC, Agile Embassy Garden (between the prestigious Embassy Row & KL international central business district) and Somerset KL Metropolis, a branded residence strategically interconnected with MITEC, Malaysia's largest international trade and exhibition centre.

Asian international property company Juwai IQI says Malaysia was last year's sixth most popular country for

Chinese buyer inquiries on the company's website.

"When it comes to Chinese luxury buyers, about three-quarters are predictably in the more accessible price ranges, between US\$250,000 and US\$500,000. That's about one to two million ringgit," says Georg Chmiel, Juwai IQI executive chairman. Apart from upmarket condominiums, Chmiel notes that Chinese buyers like the fact Malaysian luxury single-family villas are relatively affordable.

"Kuala Lumpur is still under the radar for many cross-border buyers, but it's a full-on Asian hub and increasingly popular with expats. The city offers a secure legal system that protects

buyers, positive demographics and economic growth trends, as well as a lifestyle that is a pleasant combination of efficient modernity and traditional food and values."

Heaton-Watson says other areas on the city fringe are luring overseas investors. "Damansara Heights is an affluent, established area that appeals to wealthy individuals – as is evident by the sales of Pavilion Damansara Heights, an upscale integrated development by the Pavilion Group, and Aira Residence, a prime property by Selangor Properties. This shows a trend of good, reputable developers (building) top-notch products in Malaysia," he says.



Units in 8 Conlay feature interior design by Kelly Hoppen and Steve Leung, serviced by the five-star Kempinski Hotel. Photo: Handout

AUTO INDUSTRY

‘Flying cars’ may hit a bumpy road

David Ho and Elise Mak

Malaysia's civil aviation and automotive industries might just take off if flying cars become a thing. The private sector in the country has been taking the first steps toward developing the futuristic vehicle.

The idea of the flying car isn't new, yet it is still much a work in progress with many challenges. In November 2018, Airbus and Audi together with Italdesign showcased a modular vehicle in a test flight at the Amsterdam Drone Week.

In November 2019, Malaysia's entrepreneur development minister, Datuk Seri Mohd Redzuan Md Yusof, was given a private viewing of a "super drone" by EastCap Berhad, developed with Chinese partners, EHang Intelligent Equipment (Guangzhou) and Strong Rich Holdings.

The ministry is also reportedly working with the Civil Aviation Authority of Malaysia (CAAM) to set up a regulatory framework to legalise the air mobility sector.

"The ministry will continue supporting the development of innovative entrepreneurs in line with the National Entrepreneurship Policy 2030 (DKN 2030) as it intends to expand the potential in high growth industries, such as aerospace, automotive, rail, renewable energy, medical devices, biotechnology and the halal sector," Datuk Seri Redzuan said in a statement.

He gave an assurance there would be continued support of

cooperation with local and international industry players.

The Malaysian government is putting a lot of faith in this sector, which may see it become one of the first nations to seriously develop the idea.

Seven out of 10 American adults surveyed do not believe flying cars will be transporting people in downtown cities like Los Angeles and Dallas in their lifetimes, according to a survey by the authors of *The Future is Faster Than You Think*, Peter H. Diamandis and Steven Kotler.

Many express doubts about the idea of flying cars.

"Flying cars will likely remain in the realm of science fiction. The technological and energy demands of the vehicle, and the risk and complexity they would bring to society, far outweigh any possible benefits," Kirk Addison McCullough, a US Aviation Academy graduate, told the *Post*.

"If the dream is to travel in the third dimension, tunnels and overpasses are much more realistic (albeit less exciting) solutions. Cars and aeroplanes are designed for drastically different scenarios."

McCullough also questioned the lack of infrastructure and systems for such complex vehicles. "Aeroplanes have rigid restrictions on their proximity to other aircraft, both vertically and horizontally. A complex network of air traffic control systems has to work together to control even a small number of aircraft. Consider how complicated transport is in two dimensions, like in a normal car. Adding a third dimension makes it immensely more difficult."



In November 2018, Airbus, Audi and Italdesign showcased a modular vehicle in a test flight at the Amsterdam Drone Week. Photo: Handout

Jan Lee, a Macau-based pilot in training, also questions the feasibility of flying cars but expresses faith in technology allowing the idea to take off.

"We don't know the progress of technology, but weight and drag are the big challenges for the invention of flying cars," Lee says. "Maybe one day, AI can help us."

Nonetheless, players are assembling to add impetus to the idea and the potential industry. Datuk Seri Redzuan says at least four companies in Malaysia are working on it.

Even if cars don't take to the air any time soon, there are other things that could boost Malaysia's automotive industry, like the National Automotive Policy (NAP).

"The last revision occurred in 2014 when the Malaysian government included parameters for Energy Efficient Vehicles (EEVs), which were meant to reduce the fuel consumption of locally assembled vehicles. The revised policy is meant to include the promotion of new concepts in the auto industry such as next-generation vehicles (ie, electric

vehicles), Mobility as a Service and Industrial Revolution 4.0," says Koketso Tsoai, an autos analyst at Fitch Solutions.

He is not alone in predicting a more forward-thinking NAP.

"The government will continue to focus on EEVs and next-generation vehicles in its NAP 2020, which was due to be announced on February 21. But the penetration of energy-efficient vehicles and the adoption of technology for next-generation vehicles will remain low for the next few years," says Nishita Aggarwal, a research analyst at The Economist Intelligence Unit (The EIU).

"An announcement about the 'national car' front and related policies could boost the domestic auto industry, but it will continue to face a challenge from imports," she says.

Aggarwal thinks the industry should see continued steady growth from 2021-2023. But annual increases are likely to remain below 3 per cent.

She expects the coronavirus to have an impact on output in the first quarter of 2020, mainly for the Malaysian car manufacturer Proton.

TRAVEL

Desaru Coast next in line for resort tourism development

Lee Hill-choi

At the southernmost tip of Malaysia lies Desaru Coast in Johor. This tourism development site sparked a lot of hype during the 1980s as a resort destination. But the stretch of beachfront has not yet attracted mass tourism like other beach resorts such as those in Thailand or Vietnam have amassed.

Though this destination is primarily visited by local tourists and those from Singapore, it is slowly but surely starting to attract the attention of international travellers, especially with the opening of the Hard Rock Hotel Desaru Coast and, perhaps its biggest selling point for family holidays, the Adventure Waterpark.

Desaru Coast spans a 17-kilometre beachfront on the South China Sea and is easily accessible via a 45-minute drive from Malaysia's Senai International Airport (JHB) or a two-hour drive or ferry trip from Singapore.

But there is much more to Desaru than a theme park and its resorts. With the addition of the stylish Hard Rock Hotel, the Els Club golf course (consisting of two golf courses designed by major champions Ernie Els and Vijay Singh) and other luxury resorts which have either opened or are about to, this stretch of pristine sandy beach overlooking clear ocean waters is on track to become a destination for seasoned travellers.

The Hard Rock Hotel was recognised by Tripzilla in its Excellence Awards of 2019 for "Best for Families in Malaysia". Its 365 music-inspired rooms and suites with balconies are on point with their signature brand offerings, including a Rock Spa – the world's first fully immersive music-centric spa.

Anantara Desaru Coast Resort & Villas has recently opened on this stretch of idyllic Malaysian coastline. General manager Christian Gerart says: "We are excited to be part of one of Malaysia's most anticipated new tourism developments, and our

intention is to establish it as an international destination, offering discerning travellers luxury hospitality coupled with authentic Malaysian experiences such as our Belungkor mangrove eco tour, including a visit to Kampung Linting Village to plant mangrove saplings and a foodie tour of Johor Bahru old town."

Anantara offers 108 accommodation units, most comprising en suite deluxe rooms in low-rise traditional Malay buildings with views of either the gardens, lagoon or ocean. There are also stand-alone double-storey luxury one- and two-bedroom pool villas surrounding a lagoon, inspired by "traditional kampong houses designed for the tropical Malaysian climate with floor-to-ceiling windows, slanted carved wooden panels, louvres and vents under the roof and wide-open doors that allow natural airflow to cool the interior".

The One&Only Desaru Coast is due to open on March 23. The brand, which has swept a host of five-star ratings (and two continuing four-star) in the Forbes Travel Guide Ratings, offers relaxed seaside luxury with the unveiling of its Ember Beach Club. Acclaimed chef Andrew Walsh will oversee the dining with a culinary programme inspired by the tradition of open-fire cooking.

Chef Walsh says: "We want to transport our guests away from the noise and demands of day-to-day life – this is the very definition of relaxed luxury, a place where everyone can kick back under the sun or stars."



Anantara Desaru Coast Resort offers Dining by Design. Photo: Anantara