

# Real estate defines a city

| BY CARMEN CHUA |

**R**eal estate has been said to define cities. Urban theorist David Harvey once said the city, defined by its real estate, is the hero of modernity. Global cities of the world are identified by skyscrapers whose façades glimmer and glitter in the sky, designed by the likes of “starchitects” Cesar Pelli, Norman Foster, Santiago Calatrava, Renzo Piano... and the list goes on. In Kuala Lumpur, we have the Petronas Twin Towers, which never fail to dazzle people.

## The history

When the organisers of the 2007 National Property & Housing Summit asked me what excited me and what my visions were, I thought the best way to illustrate this would be to use our signature project as a case

study. But let me begin with a brief history.

Most of you would have heard of my father Chua Ma Yu. He is well known in the capital markets and is considered by some of his staff as a fierce, demanding and domineering boss. When I returned from London three years ago upon graduating from the London School of Economics, I was naïve enough to believe my father when he said I had the freedom to do whatever I wanted. I usually joke that I had been “conned” into the family business, but to tell you the truth, I have not regretted it or looked back ever since.

Having joined the company after stints in the banking sector, I was given the task of creating a trophy building that would represent the family. Thus was born ONE KL, the brainchild of an excellent father-daughter relationship. Well, okay, we did have our arguments and had to literally fight to get things across to each other, but our vision kept us united.

## The case study

Our vision and aspirations were simple — to create a development that would completely revolutionise lifestyles as well as the world of architecture and engineering, one that would raise the benchmark of Malaysian real estate to that of international standards. It was also about creating an “evergreen” building that would last through the years as a legacy and a landmark of Kuala Lumpur. Thereafter, it was about the purchasers’ experience and developing a relationship and rapport that lasts. You will find that eventually what develops is a type of trust and loyalty. It is this standard that we have established and will continue to build upon.

To achieve such a revolutionary development, the collaboration of innovative minds, dedicated teams, expertise and, most importantly, partnerships that embraced a single vision was required. ONE KLCC, SCDA Architects and Shimizu Corp, whose shared vision for building a state-of-the-art tower, one with the highest specifications, set the benchmark for raising the quality of living. With this vision, ONE KL defied the traditional concepts of living. It is this vision

that was instrumental in making this happen.

ONE KL’s location in the heart of the city centre is one of the best — adjacent to the Petronas Twin Towers, Suria KLCC, Dewan Filharmonik Petronas, KL Convention Centre and the Mandarin Oriental Hotel. ONE KL, with its “94 apartments and 95 swimming pools”, is unique and the first product of its kind. This is, as per the theme of this conference, known as the value innovation of the Blue Ocean strategy, where a leap in value is created for your buyers by creating elements the industry has never offered. Back in March, we set a new pricing benchmark at RM1,800 per sq ft.

Designed for a niche market, it is the only project with a completely international project team — Shimizu Corp (design & build contractor), SCDA Architects, DJC (lighting consultant), ARUP (façade engineer) and DLS. With a complete curtain wall, the development consists of only duplex units, each with a private swimming pool and lift operated by fingerprint access. With three basement car parks, ONE KL is also designed specifically to cater for such sports cars as the Ferrari, the Lamborghini and the Porsche, and large cars such as the Phantom, the Bentley and so on. It is such attention to detail that sets us apart.

Towering at 155m, this 35-storey condominium development marks an important step forward in changing not only the world of architecture and engineering, but also lifestyles and communities.

ONE KL is all about bringing future expectations into the present.

Some time ago, my architects, who are based in Singapore, told me that the URA of Singapore had approached them, asking why they had not built something like ONE KL in Singapore. Proof that the concept and lifestyle sells lies in other developers around the world having followed suit — MarQ on Patterson Hill and Parkview Eclat in Singapore, to name two.

## The trend and success factor

The global trend in the real estate market sees developers upping the ante to lure buyers and going one step further to improve lifestyles. Some developers have even gone to the extent of “garage parking in the sky”, where you can park your car in your

CONTINUES ON PAGE 4



The writer



# 'Think globally, act locally'

FROM PAGE 2

apartment! Last month, Four Seasons launched its floating apartments, called Ocean Residences, on cruise ships. It is all about the concept — buyers around the world are becoming more demanding, more extravagant, more outrageous and bolder.

As French urban theorist Henri Lefevre put it, there's always a "use value" derived from inhabiting, experiencing and using the built environment in terms of security, comfort, convenience and the like, while the "exchange value" refers to the monetary value of such an environment and is presented to the market as a commodity. I believe that to succeed in the real estate industry, one has to be able to unify these two values into a single project.

## Bull is bonus; beware of bear

Despite all that is being said about lifestyles, trends and the real estate mantra of "location, location, location", it all boils down to timing. The property market is cyclical and it is all about timing your project for take-off. The critical success of a project is that window of opportunity that you never know will last how long. There are many developments with a great location and a wonderful product but have



The ground-breaking ONE KL

still failed. It is about the persistence, determination and patience one has, together with the proper equity financing ratio and ability to carry through a down cycle.

## Conclusion

Some of you may have heard me say that ONE KL represents our commitment to and belief in the future of Kuala Lumpur. The building will be completed in February 2009, when a new chapter will be opened in the history of Kuala Lumpur, one that will shape, enhance and contribute to the overall growth and success of the city.

Apart from the abolition of the Real Property Gains Tax and recent relaxation of FIC regulations, we have seen other significant changes in the real estate industry. There has been increased capital flow into the sector, with architects becoming more involved in local real estate, for example Jean Nouvel, who is designing a new skyscraper on Jalan Ampang, and the Foreign Office of

Architects (FOA) in KL Sentral. There has also been an increase in the reinvestment and refurbishment of real estate.

There is more we can do to internationalise Malaysian real estate with further liberalisation of FIC regulations on commercial property. There is a vast pool of long-term real estate capital consisting of pension funds, real estate trusts and private equities that is active in all the major cities and is ready to invest in high-value commercial real estate in Malaysia. For example, CapitaLand has already heavily invested in the residential, retail and office segments of our market, and what a difference it has made! Exempting commercial property from FIC regulations will further encourage the development and refurbishment of older buildings to international standards.

Critical to the continuing transformation of Kuala Lumpur into a global city (and this is not just about building the best infrastructure and solving traffic and flooding problems, environmental concerns, and the rising crime rate, which mind you, is a global phenomenon in the development of any city) is the way we collectively deal with the role of the state and the market, planning and real estate, public values and private interests. There are five ways we can do this:

- Think globally and act locally. The shaping forces of cities are global in origin whilst market opportunities, resources, talents and funds are dispersed globally. Seek out, network and tap them, yet ground your project firmly on local soil and relate it to the specifics of local context — ecology, tastes, values and ways of life. Only those who understand this can compete and succeed. We should all learn to respect differences and diversity, discard inherited cultural centrism and embrace multiculturalism.
- Breathe history. History is an excellent grindstone to sharpen the strategic mind and ability to seize the moment. We can all learn from the mistakes of the past, the cyclical patterns of the market, market wants and market necessities.
- Nurture life, enrich places. Life is the ultimate source of learning. Learn by living. Explore the ingredients that make

your daily life exciting, stimulating and rewarding. Look at your own experiences and observe from others the qualities of places that make you feel comfortable, secure, at home and happy. Try then to emulate such qualities in your projects.

- Explore the world. Globalisation and IT are changing the way we work, live and play. Watch what is taking place and try to absorb the gist of key innovations. Explore ways to accommodate new technologies in your projects.
- Respect public planning. Planning and real estate should complement each other as partners in the making of urban places. Planning without real estate support is powerless and unrealisable and real estate without planning is without context and legitimacy.

My dream is to build something where all can come together, where harmony and balance exist. Our generation has inherited a culture that fosters conflicts and dissociation. We have to strive to restore harmony and balance in ourselves before we can expect to create places that embody such qualities.

It is in this context that I will leave you to ponder the importance of real estate in defining cities and the people who live in them. **E**

*Carmen Chua is managing director of One KLCC Sdn Bhd, property developer of ONE KL. She was speaking at a session entitled 'Conversations with next generation leaders — the new Taipans' at the 2007 National Property & Housing Summit organised by the Asian Strategy & Leadership Institute (Asli) on Sept 18 at Sunway Resort Hotel & Spa, Petaling Jaya. The other speakers were Ireka Corp Bhd's executive director Lai Voon Hon and Ken Holdings Bhd's executive director Sam Tan.*

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Transforming Kuala Lumpur into a global city