

Brand strength sells Pavilion Hilltop Mont'Kiara

BY E JACQUI CHAN

Since opening shopping mall Pavilion KL in 2007 and successfully launching Banyan Tree Signatures Pavilion Kuala Lumpur (BTSP) in Bukit Bintang in 2012, Pavilion has become synonymous with quality and luxury.

Now, the Pavilion brand is playing a key role in ensuring the success of the group's latest condominium project, Pavilion Hilltop Mont'Kiara, which is being developed by Permata Cermat Sdn Bhd — a joint venture between Pavilion Group and Kuwait Finance House.

BTSP was a collaboration between Banyan Tree and Kuala Lumpur Pavilion Sdn Bhd, the manager of Pavilion KL.

"Response to the brand is very strong and gratifying because every developer is anxious about a launch. We have been tracking the response, including online, and people are very excited," says Tracey Lai, sales and marketing director of 1 Pavilion Property Consultancy Sdn Bhd, the sales and marketing consultant of Pavilion Group.

To Lai's delight, the excitement has translated into strong sales. Since the soft preview of the first phase of Pavilion Hilltop in April, all the units have been sold while 40% of the second phase, which opened for sale a month ago, has been taken up.

Sitting on a six-acre freehold tract in Mont'Kiara, Pavilion Hilltop is across from UEM Sunrise Bhd's So-



Pavilion Hilltop has a GDV of RM1.18 billion

laris Mont'Kiara. It comprises three blocks with a total of 621 condos and villas with built-ups of 1,200 to 2,874 sq ft and 3,671 sq ft onwards respectively. The development is being launched in three phases of a block each. Its gross development value is RM1.18 billion.

"All the units we have sold so far were bought by repeat customers and through referrals and word of mouth. We started selling at RM900 to RM1,000 psf. The prices will increase as some appreciation is expected. Otherwise, our first buyers will feel cheated," says Lai.

According to her, Pavilion Hilltop sits on one of the highest points in Mont'Kiara and offers a serene and peaceful environment with an urban

resort lifestyle ambiance. As with any Pavilion development, facilities and amenities include on-demand services such as personalised concierge, security escort and chauffeuring. Each unit comes furnished with built-in cabinets, electrical appliances and a split unit air-conditioning system.

The development offers views of the Kuala Lumpur skyline and the newly constructed National Palace.

A balanced market

Despite the strong sales, there are lingering concerns about an oversupply of residential high-rises in Mont'Kiara and perceived difficulty in selling and renting out units that are above 1,200 sq ft in size.

1 PAVILION PROPERTY CONSULTANCY

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Lai: Response to the brand is very strong and gratifying

But Lai has clearly anticipated such worries. She leans across the table and says with a smile, "Let me tell you something - a good number of our buyers are from Mont'Kiara. So I ask, if people living in Mont'Kiara are buying, where is the oversupply people are talking about?"

She, however, acknowledges that property prices in Mont'Kiara have stagnated since the global financial crisis and that the market has gone through a period where supply was bigger than demand.

"Before 2008, a lot of properties in Mont'Kiara were of larger size and expatriates were looking for such units. When the financial crisis hit, the demand for tenancy dropped as most of the expatriates went home. I see things differently - this is more of a drop in demand than an oversupply situation," she says.

What has happened since then, she says, is a slow shift in the ratio of buyers and owner-occupiers in Mont'Kiara.

"When we started researching Mont'Kiara, we found that the older projects, such as the 1,000 sq ft plus Mont'Kiara Pines condos, were being snapped by owner-occupiers because the prices were very good. That's when owner-occupiers started to come into Mont'Kiara.

"Regardless of what people say about Mont'Kiara, it is still an expatriate's haven, still located strategically and still an address people are proud to call home, especially the younger people. It's no longer just about investors buying to rent out. There's a whole new owner-occupier market here."

Larger units for owner-occupiers

With a minimum unit size of 1,200 sq ft, Pavilion Hilltop is targeting owner-occupiers.

"Developers have been building smaller units lately. As a result, there are a lot of small units coming into the market. But we decided early on to build larger units. Our units are of a comfortable size — not too big or too small.

"If you look overseas, there is plenty of what they call shoebox apartments in the market. But who wants to live in a shoebox when the price keeps going up? Most of the locals can't or won't rent a studio apartment for RM6,000 to RM8,000 a month. As for the expatriates, those coming in now are at least mid-management and most are from Japan, South Korea

and India. This group would rather rent two to three-bedroom apartments than a studio," observes Lai.

She says the 1,200 to 1,800 sq ft units are ideal for upgraders, newlyweds and families.

"One thing we have noticed is that people don't want small bedrooms. So we changed the layout of our units to accommodate luxuriously sized bedrooms, especially the master bedroom. The space is quite flexible and people like the concept.

"However, this means some of the units don't have rooms for maids. But we are providing on-demand services, which eliminate the need for live-in maids."

Pavilion Hilltop is located on one of the last parcels of land in Mont'Kiara, which adds to its appeal.

"Mont'Kiara proper is almost fully developed. Development is already moving towards Segambut Dalam, which is now being marketed as Mont'Kiara North. It will take about four years to complete Pavilion Hilltop. By then, we would be one of the few new ready developments in Mont'Kiara. We are also in a high-demand location as we are very close to Solaris Mont'Kiara, Solaris Dutamas and Publika, and two access points," Lai points out.

As for the property market, she sees similarities between Mont'Kiara and KLCC. "The global financial crisis impacted the KLCC property market negatively, but it has since recovered and property prices are again on an upward trend. Back in 2012, we were selling BTSP at around RM2,000 psf, but today the units are commanding RM3,000 psf.

"There was a time when the Mont'Kiara property market was in a similar position. There was a lot of syndicated buying and dumping, which contributed to the so-called oversupply situation. These buyers would just sell for marginal profit and leave. But the situation has stabilised, take-up rates are strong, the secondary market is robust and prices are rising steadily. There is absorption in the market, which is key. When there is no absorption, people get scared and start to dump properties," explains Lai.

Upcoming projects

Lai expects to launch Phase 3 of Pavilion Hilltop, which is now open for registration, after Chinese New Year next year.

In the meantime, Pavilion is planning Harrods Hotel, which will be the world's first, in Kuala Lumpur and which will be complemented by serviced residences, offices and retail space.

Also in the works are Pavilion Elite Suites and the redevelopment of Damansara Town Centre, currently known as Pusat Bandar Damansara.

Pavilion Elite Suites is a lifestyle development, which the developer believes will set a new benchmark for luxury in Bukit Bintang. It will comprise 369 private residences and 10 levels of retail space. The 9.57-acre Damansara Town Centre will be revitalised into a commercial and residential hub with office towers, private residences, a hotel and a shopping mall.

