

Luxury brands teaming up with property developers

Luxury-goods retailers such as Bulgari and Fendi are teaming up with bricks-and-mortar developers to offer upscale designer properties

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Branded flat: Beverly West outfitted in Ralph Lauren products.

Designer names appear on just about everything these days, from bedsheets and sunglasses to floor lamps and cutlery.

But in what is predicted to become a new niche in luxury real estate, designers are now lending their names to entire buildings.

"Branded" buildings bearing the appellation of a world-class luxury trademark are sprouting up in status-conscious cities around the world, giving buyers something new to get excited about.



Chandeliers illuminate the Baccarat Residences

Baccarat, the French crystal brand known for its HK\$1,000 champagne flutes, has The Baccarat Residences in Shanghai and New York. The Bulgari Residences in London and Bali are adjacent to hotels in those cities constructed by the luxury jewellery brand. Versace, Fendi and Armani have partnered with developers worldwide - from Morocco to Manila - bringing their specific aesthetic to residential buildings.



A Fendi Casa home at the Ritz-Carlton Residences

This new evolution in luxury real estate is showing up in other forms, too. At the Ritz-Carlton Residences in Los Angeles, one newly unveiled penthouse has been completely outfitted by Fendi Casa. On a prime stretch of Wilshire Boulevard in Beverly Hills, a high-end condominium features flats designed by Armani Casa and Ralph Lauren.

The idea, say developers, is to convey the sensibility of the building or unit by aligning with well-known designers, and, as a result, appeal to brand-conscious buyers.

Steven Hankin, managing director of portfolio operations for Starwood Capital Group, which co-owns the Baccarat Residences, says that Baccarat's legacy as a centuries-old fine French crystal maker gives the new properties an extra gloss.

"It's a brand originally created to enhance the life of kings and queens and the way they celebrated," says Hankin. "Baccarat [the Residences] continues that tradition." The New York building, on 53rd Street, is slated to be ready for occupancy some time next year. While the developers decline to reveal specific figures, they say that initial sales have been "brisk".

The US\$403 million 50-storey glass tower contains 61 units. That includes a five-bedroom, 7,400 square foot duplex penthouse designed by New York designer Tony Ingrao, himself an avid collector of Baccarat pieces. Inevitably, each home will also have a Baccarat chandelier in the foyer plus other one-off pieces.

"In New York, the main lower facade is 60 feet by 100 feet of faceted prismatic crystal clear glass," says Hankin. "It is constructed with a completely invisible all-glass structural system that creates a sensation that the building is completely fabricated out of crystal."

The prestige that comes with living there carries a steep price: the smallest unit is US\$3.5 million and the penthouse is priced at US\$60 million. Meanwhile, the Shanghai building comprises two towers - the first one has already sold out.

"Selling real estate is more about selling and curating a lifestyle," says Mauricio Umansky, a high-profile Beverly Hills-based realtor whose company, The Agency, sells some of the priciest real estate in California - and whose client base is about 20 per cent from Asia. "It's not just about bricks and mortar anymore."

The Agency is the exclusive sales agent for The Ritz-Carlton Residences at LA Live - directly above the hotel - where 85 per cent of units are sold. The crowning glory among them is a just-unveiled 2,396 sq ft Fendi Casa penthouse outfitted completely in furniture and fittings from the venerable

Italian luxury house. The goal, says Kimberly Lucero, vice-president of sales at the building, is to elicit enough interest in the unit that someone will come in and buy the whole thing, down to the last Fendi pillowcase. The unit carries two prices - one with the Fendi interiors, for US\$4.57 million, and without, for a million dollars less.

"We're finding that the market has brought more international buyers who are here for a short period of time. They want something finished so they can walk in with their suitcase and they're good to go," she says.

Although the official debut of the Fendi Casa unit isn't until some time next month, Lucero says she is already showing it to prospective buyers. "A lot of buyers out there are very brand savvy," she said. "When you're investing internationally, you want to take comfort in a brand where there is a level of quality. There's an expectation of a certain level of amenities and finishes and services that come associated with The Ritz-Carlton, and with Fendi, there's a bonus."

Fendi Casa has also partnered with The Private Residences, a building on New York's Fifth Avenue, for yet another penthouse, this one priced at US\$17 million. For that money, the new owner will get lacquer furniture, champagne-coloured chandeliers and lots of sleek stone finishes.

Los Angeles interior designer Lisa Garriss of Plum Design West was recently hired by a luxury residential building, The Beverly West, owned by Dubai-based Emaar Development Company, to outfit five individual units with floor-to-ceiling designer goods from the like of Armani Casa and Ralph Lauren.

Certainly, this new vanguard of designer-property collaboration does appeal to a very specific demographic, say insiders.

Perla Lichi, co-founder of Lichi-Zelman Style Interiors in Dubai who has worked on numerous high-end properties around the world, says the alignment of brands like Baccarat and Versace probably appeals more to the "nouveau riche".

"Those generationally wealthy individuals and families who are looking for the ultimate in quality will probably not be drawn to all the publicity of a glitzy branded real-estate development," she says.

Lichi adds that, as with a handbag or wallet, the price of a piece of real estate takes into account its designer cachet.

"Those people who are truly wealthy ... are also really smart about money and realise part of the ticket price on that residence is the cost of international marketing," she says. "They may prefer to work with the best local architects and designers to get the best value at the best price."

But Umansky predicts increasing affiliations between property developers and luxury brands across the world.

"It's the way of the future, especially if it's done right," he says. "If you just attach a name to a property, it doesn't have a value. But if you curate it somehow, do something with it, then it has a lot of value."

