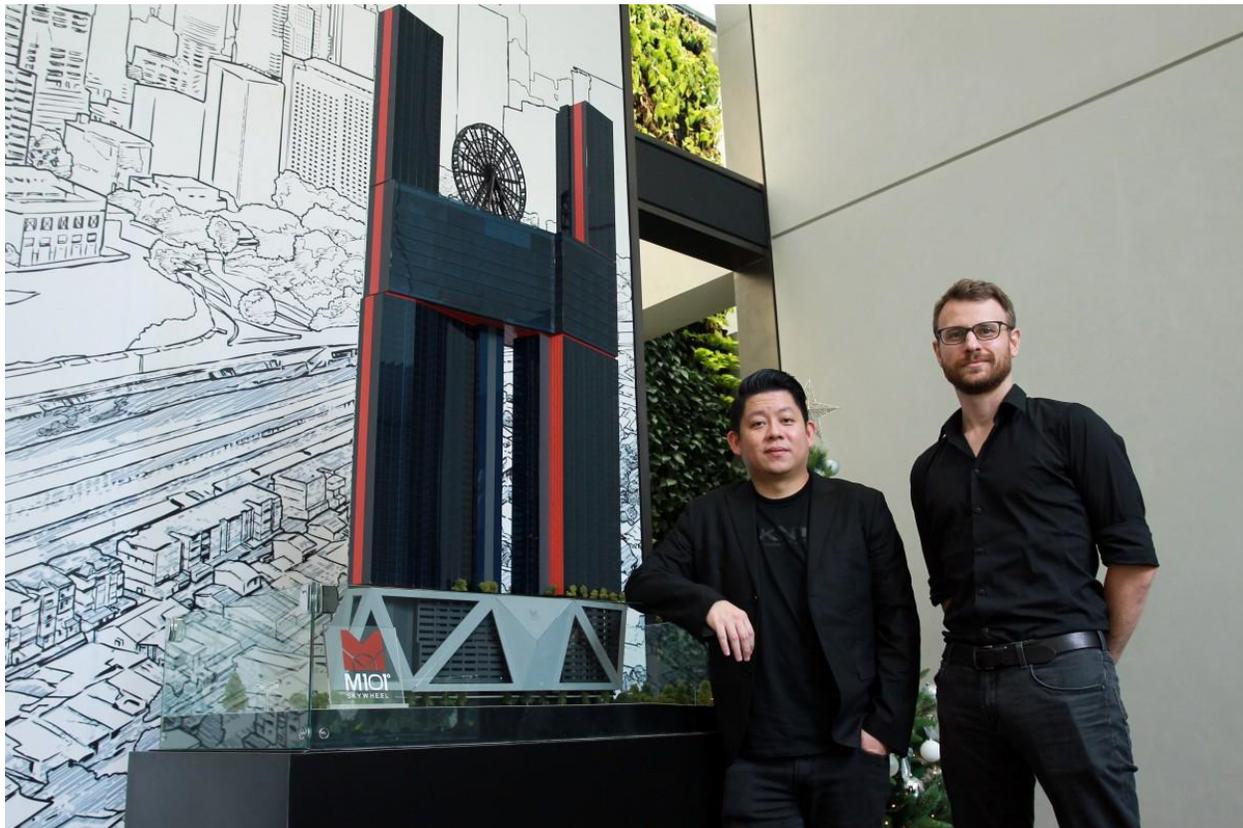


M101 partners Studio F. A. Porsche for design suites

By Hannah Rafee | February 14, 2017 8:45 AM MYT



RITZY, designer serviced suites have gained in popularity in recent times. These opulent residences are a result of the collaboration between developers and luxury brands, and have come about as purchasers grow more brand-conscious. Most of these projects, such as the Armani Residences at Burj Khalifa in Dubai and the Bulgari Residences in Knightsbridge in the UK, have been successful.

M101 Holdings Sdn Bhd is hoping for a similar result. It has partnered Studio F. A. Porsche to deliver exclusive suites in its latest development, M101 Skywheel, in Kuala Lumpur.

On a recent Tuesday afternoon, M101 Holdings CEO Datuk Seth Yap and Studio F. A. Porsche (Asia) head Tobias Huettl sat down with *City and Country* to talk about Design Suites by Studio F. A. Porsche at the M101 sales gallery in Jalan Yap Kwan Seng.

“We are taking the unconventional route by creating something that is unique for our purchasers with Design Suites by Studio F. A. Porsche. We attach great importance to brand development, and the lifestyle that it provides,” says Yap.

With a gross development value (GDV) of RM1.8 billion, M101 Skywheel is the third and largest M101 project so far — the other two are in Dang Wangi and Bukit Bintang. It is targeted at both local and foreign investors.

M101 Skywheel will have two 78-storey towers, with 1,111 small offices/flexible offices (SoFos) and 96 suites. The suites will be designed by Studio F. A. Porsche. They will be located on the 53rd to the 76th floors.

Located on a two-acre freehold parcel, the development will also have Asia’s first Planet Hollywood Hotel, with 207 rooms. Linking the two towers on the 48th to 52nd floors will be offices and the Skymall, which will offer 200,000 sq ft of retail space.

M101 Skywheel is targeted to be completed by 2022. Named after a proposed Ferris wheel on the 52nd floor, the project was first unveiled last January and has seen bookings of 80% for Phase 1 and 50% for Phase 2 of its SoFos. With built-ups of 400 to 810 sq ft, the units are priced at RM1,200 to RM1,500 psf.

“So far, the bookings have mostly been made by local investors, but we have seen a lot of interest from overseas too. Generally, the SoFos have attracted middle to higher-income earners,” reveals Yap.

M101 Holdings is preparing to attract a different target market with the upcoming launch of Design Suites by Studio F. A. Porsche. “These suites are higher-end, and we are targeting a specific set of clientele,” says Yap. “Our whole development will have a range of target markets, from the middle-income earners to high-net-worth individuals, in line with our concept of a self-sustaining, ‘horizontal township’.”

Providing ‘holistic living experiences’

During the photo shoot and interview, it is clear that Yap and Huettl have a good relationship. Both are easy-going and often bounce ideas off each other, making jokes now and then. It appears that the partnership is working well for them.

“We first got together to talk about M101 Skywheel and its design suites in the second half of 2014. M101 Holdings and Studio F. A. Porsche share an appreciation for design. We have a good understanding and vision of how we can work together. It is important for us to understand our partner and its approaches to have a good collaboration,” says Huettl, who is currently based in Singapore.



“Studio F. A. Porsche mainly works as a design consultancy. Our design approach and DNA are puristic and based on form [and how it corresponds with function]. It can be seen in our first product, the 1972 Chronograph 1 watch. The studio made the experience of reading time better by increasing the contrast and reducing distractions.

“In the past, we have designed a wide range of products and projects, such as the new Airbus A350 business class for Cathay Pacific, private bar for Johnnie Walker, Sonja speaker for YG Acoustics, Royal Falcon Speedboat *Casanova 28* and Porsche Design Tower Miami P’0001. Located in Sunny Isles Beach in Florida, the tower has 60 floors and 132 apartments, and was completed last year,” says Huettl.

“This collaboration with M101 Holdings is important to Studio F. A. Porsche because it showcases a habitat or a living system that is designed by the studio. The partnership gives us the opportunity to create holistic living experiences for the purchasers, to come up with smart solutions and to translate our design philosophy into this project.”

According to Huettl, the project is the design studio’s largest in Southeast Asia. He believes Malaysians are just as brand-conscious as their Asean counterparts. “To us, Malaysia has a very international market, and there is a lot of influence and opportunities from its neighbouring countries. At the moment, we feel that Kuala Lumpur [in particular] has gained a lot of momentum in developments. We would not want to miss this opportunity to contribute to its unique skyline.”

Studio F. A. Porsche is part of the Porsche Design Group, which is a majority-owned subsidiary of Porsche AG. Its headquarters is in Zell am See, Austria, and it has offices in Berlin and Singapore.

Set to be launched in the first quarter, Design Suites by Studio F. A. Porsche is scheduled to be completed in 2020. It has a GDV of RM325 million. The fully furnished units will come in three layouts — 2-bedroom (1,018 sq ft), 1+1 bedroom (909 sq ft) and 1+1 bedroom (879 sq ft) — and are priced from RM3,500 psf. Facilities on the 78th floor will include an infinity pool, gym and sauna.



The suites’ aesthetics will be similar to those of M101 Skywheel’s, with signature red stripes, reflective black glass and titanium pedestals. The interior will have grey, onyx and charcoal-toned materials, with steel and dark wood finishes. Each unit will come with high-tech appliances — designed by Studio F. A. Porsche — in the kitchen and entertainment area, among others.

“We forewent the idea of conventional doors, so that the spaces can be easily separated and are interchangeable. For example, the kitchen can be transformed into a bar or entertainment area [by moving the kitchen divider],” says Huettl. The design studio is still finalising certain details of the design, he adds. “More design details will be added and will be revealed soon.”

Yap says the suites have attracted a lot of interest from investors in Indonesia, China, the Philippines, Singapore and Kuala Lumpur. “For the design suites, we are targeting high-net-worth individuals. We plan to invite only selected prospective purchasers to view the units [to maintain their exclusivity] and we will only accept cash buyers,” he reveals.

“In 2012, we partnered the Ministry of Tourism and Culture to provide RM100 million worth of free hotel stays at our developments [to be given to our prospective purchasers] to attract foreign investors and tourists to stay at our hotels. Each purchaser of the Design Suites by Studio F. A. Porsche is entitled to up to five free hotel stays per year,” reveals Yap. They can share this privilege with their friends and families from other countries. “Each purchaser will also receive a

limited edition watch designed by Studio F. A. Porsche,” he adds, but declines to reveal the watch’s value.

Branding M101

M101 Holdings was founded in 2012. The company plans to launch 10 projects, mainly SoFos, by end-2020, with a total GDV of RM4 billion. It aims to build statement projects to promote “property tourism” in the country by targeting investors from China, Hong Kong, Taiwan, Japan and the Middle East.

“Property tourism is a concept that we came up with. We are committed to play an active role in promoting local properties abroad. We plan to attract more foreign investors and tourists by delivering properties that are all-encompassing, with components such as hotels, commercial and retail units, entertainment features and F&B (food and beverage) outlets. By placing these components in one development, we believe it will diversify consumption, increase consumer spending and help the economy,” says Yap.



According to him, the group is aware that its grandiose, unconventional approach to development as well as collaborations with big names such as Best Western and Planet Hollywood have caused quite a stir.

“This is our method of establishing our brand in the property development sector. As it is, it takes many years to gain recognition as a developer, and we would like to speed up the process, put our name on the map and gain the trust of potential investors by collaborating with some of the biggest names in related industries,” says Yap, who graduated from the University of

Liverpool in 2001. He was called to the Bar in the UK, before being called to the Bar in Malaysia in 2010.

Yap says he has an extensive background in marketing and branding, having work in consultancies in the past. “After gaining experience in these related industries, I understand the importance of a brand, brand penetration and associations, and what it can do to elevate a product or a company. It is the main reason why we do things the way we do at M101 Holdings,” he emphasises.

“This is our way of setting ourselves apart from the other developers. Perhaps our ideas, such as placing the Skywheel [on the 52nd floor], appear hazardous to a lot of people but we are working closely with its designer, Arup and Industrial Capital Partners (ICP) and the authorities to ensure its safety. The mechanism of the Skywheel will be custom-built for this structure, and it will be solid,” says Yap.

Prior to M101 Skywheel, the group launched M101 Dang Wangi and M101 Bukit Bintang in 2014. Located in Jalan Kamunting, M101 Dang Wangi has a GDV of RM130 million. The group’s maiden, freehold project is expected to be completed this year. Meanwhile, M101 Bukit Bintang has a GDV of RM280 million and is targeted to be completed next year. Both projects feature a hotel to be run by Best Western, the largest hotel operator in the world, and have been fully taken up.

Kampung Baru North

M101 Holdings foresees that the area around M101 Skywheel, which is located off Jalan Tun Razak, will soon be booming, thanks to added connectivity from the mass rapid transit (MRT) project. With Station S15 (Kampung Baru North) at the basement of its development, “we are confident that M101 Skywheel will be a hit”, says Yap.

Consultants agree that the area will be busier once the MRT line is completed. “Serviced apartments with affordable prices will be the best-selling properties in the area. The project (M101 Skywheel) is in a good location due to its close proximity to the Kuala Lumpur city centre while the underground connection to the Kampung Baru North MRT Station [that will provide seamless connectivity to other parts of the Klang Valley] is the icing on the cake,” says Laurelcap Sdn Bhd director Stanley Toh.

Lydia Mun, executive director of One Sunterra Properties Sdn Bhd, concurs. “The MRT Line 2 and extension of LRT (light rail transit) lines in the area, as well as the young target market comprising working professionals and small families within KL city, will be the catalysts for the area. The [development’s] proximity to retail and commercial facilities in the city centre is another plus point.”



Toh says, “Serviced suites or apartments tend to sell better than SoFos [in the area]. One of the reasons is because the former is covered by the Housing Developer’s Act 1966 while the latter is not. In addition, financial institutions prefer to finance or give better loan margins to serviced apartments rather than SoFos. This will have an impact on the demand for SoFos and serviced apartments.

“For serviced suites or apartments, the current average rental rate is about RM3 to RM3.50 psf, with yields of 4.5% to 5%. The current average price is about RM850 to RM900 psf. However, the Studio F. A. Porsche brand is exclusive and will have an impact on purchasers’ sentiment. Taking into account the branding, the selling price of RM3,500 psf is on a par with other branded developments such as the Four Seasons and Kempinski @ 8 Conlay, which are priced above RM3,000 psf. Most of these developments attract young couples, single, career-driven adults, and expatriates,” he adds.

Mun opines that the current average rental rate for SoFos in the area is about RM4 to RM4.50 psf, with yields of between 4.5% and 5%. “The current average price is about RM900 to RM1,000 psf.”

According to Toh, M101 Skywheel is an ambitious undertaking. “The concept of putting a Ferris wheel on top of a shopping centre is unheard of in this region. Perhaps it would be a catalyst, as its unique feature will attract crowds. This will definitely help the retailers of the mall. A cause for concern would be the traffic flow in and out of the development, and the density of the project [which appears to be rather high]. Nevertheless, the Ferris wheel, Studio F. A. Porsche and Planet Hollywood Hotel will be crowd-pullers.”

He says the outlook for serviced suites or apartments and SoFos is stable. “Demand for SoFos will not be as exciting as a couple of years ago, mainly due to problems with financing as well as an oversupply of this type of units in Kuala Lumpur. As for serviced suites or apartments, demand will be slightly better but overall, it will take some time for the demand and supply to reach an equilibrium state, which will see prices booming like before.”



Mun believes more SoFos will be developed in the next four to five years due to the “scarcity of residential land in Kuala Lumpur and change in business environment, which has become more technology-oriented”.

“Today, a lot of companies do not require a large space and workforce as many have shifted to the online platform. Some companies may require employees to be in the office only a few days a week. There is a growing segment that has shifted to flexible working hours and working from home. This may translate into demand for SoFos that are well-located and close to MRT or LRT stations and shops,” says Mun.

Future plans

On Jan 17, M101 Holdings announced a partnership with China Huashi Enterprises Co Ltd. The latter will fund RM50 million of the construction cost — equivalent to the cost of M101 Skywheel’s substructure.

According to Yap, the group will continue to focus on M101 Skywheel this year. “We are constantly on the lookout for opportunities, and we are looking at other potential collaborations. However, we can only reveal more details once these potential partnerships are finalised. We do

not hold large parcels of land ... we develop projects as and when we find something that suits us.

“The M101 series is for Malaysia. Perhaps, in the long run, we may have, for example, the ‘M108’ series in the Philippines. That is our dream — to build our brand and have development blocks in different parts of the world,” he reveals.

“This year, we plan to have roadshows overseas to attract foreign investors. We have partnered the Bank of China in Shanghai to present this project (M101 Skywheel) to a select group there. Our recent trip to Indonesia has also proved to us that the project is well-received by investors in the neighbouring countries,” concludes Yap.

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