

**HD City & Country: Australia 108 caters for the high life**

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Of the buildings in the Melbourne skyline, one will tower above them all — Australia 108. The A\$700 million (RM2.04 billion) project is being developed by World Class Land Pty Ltd, a subsidiary of Singapore-based **property** developer Aspial Corp Ltd.

“Australia 108 will be an iconic building of Melbourne when it is completed and will be its tallest building,” Nick Ng tells City & Country.

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Ng is the managing director of ResCom Australia Sdn Bhd, the marketing agent for Australia 108 for Singapore, Malaysia, Indonesia, **Hong Kong** and **China**. CB Richard Ellis Australia is the marketing agent for Australia.

ResCom was established in 1993 as a mortgage management business in Melbourne. At the time, its core service was management of **residential** and **commercial property** loans on behalf of major Australian financial institutions. ResCom expanded into Malaysia in 2009, and the **company** added project marketing to its service portfolio in 2010. To date, ResCom has **sold** A\$100 million worth of **property** in Australia.

The original proposal for Australia 108 was for 108 storeys, 388m high. However, this violated Australian federal air safety regulations, and the project was scaled down to 100 storeys, and 319m. Australia 108 was launched in Singapore and **Hong Kong** on Nov 8 and 15 respectively, and in Malaysia and Indonesia on Nov 22. Some 20% of its units have been **sold**, says Ng.

Australia 108 sits on 2,642 sq m of freehold land in Southbank Boulevard, Southbank, Victoria. The project comprises 1,105 units of studio and three-bedroom apartments of between 42.4 sq m and 804.6 sq m.

Expected to be fully completed in 2019, Australia 108 will feature two themes — Sunlight and Starlight. The former employs warm tones of brown and beige, and the latter is light-toned, with black, dark brown, and white. All units are equipped with a cook top, oven, range hood, dish drawer, sink, taps and mixers, kitchen bin, basins, towel rails and cupboards.

The selling prices are between A\$9,000 (RM26,330) and A\$11,000 per sq m.

To distinguish between levels and exclusivity, levels 11 to 67 are called Sky Rise Residences, while levels 72 to 100 are called Cloud Residences. Ng explains that Australia 108 offers different facilities for the two types of residences.

“Residents from levels 11 to 67 will be able to access the Sky Rise Club on level 11, equipped with 25m lap pool, gym, theatre, steam room and saunas, grand dining room where residents can host dinners with friends and family, and virtual golf,” says Ng. “But residents from levels 72 and above will have exclusive access to Star 70 and Cloud 71 — the two levels located at the Starburst. These levels offer services befitting the high life, with two infinity pools and spa, four fitness facilities, lounges, platinum screen theatre, sky garden, private library, and four dining rooms that look out into the sky.”

Ng mentions that during certain times of the year, thick clouds gather beneath the club levels, creating an illusion of a lifestyle in the heavens.

Australia 108 is World Class Land's maiden project in Australia. "Generally, many Asian **property** developers see a demand for such a product in their respective countries, so they [build such a product in Australia] to cater for the Asian communities in Australia, or those interested to stay there," says Ng.

In Singapore, the units have mostly been bought by young professionals and executives who want the luxury of Singapore's Marina Bay Sands but cannot afford the price. According to Ng, 60% of Australia 108 is allocated to Asian buyers. Due to the high allocation for foreign investors, there are worries over the sustainability of the price.

"We're looking at a five-year-plan [for] the Australian **property** market. The target [number] for people to migrate or come to Australia is estimated at 100,000 per annum, based on the 60,000 visitors and migrants in the past five years," Ng says.

In an email interview with City & Country, director of World Class Land Koh Wee Seng says that Melbourne is one of the five most attractive cities to stay in the world. "There are many developments in Melbourne but they are similar to one another, and nothing to shout about. Australia 108 is a project brought to us by Leonard Ng, the co-founder of Rescom, and it is a unique project," says Koh. "We foresee Australia 108 being a landmark that **property** buyers would consider beyond price justifications because of its sophistication and height."

According to Koh, the idea for Australia 108 originated from one of Australia's top architects, Fender Katsalidis.

"The previous owner (Katsalidis) had obtained approval for the height of the building but had difficulties raising funds. We took the opportunity to do due diligence on the **site** and decided that the project would appeal to global investors," says Koh. "We engaged Australia's top project consultants and worked with Katsalidis, to finalise the design of the building. It took us almost 12 months just to get a clear view of its feasibility. We concluded that our vision to build something truly unique had come true."

Some Australian developers face funding constraints mainly due to the build-then-sell regulation imposed by the Australian government. Developers need a strong balance sheet to proceed with a development such as Australia 108, explains Ng.

This was not an issue for World Class Land. "We decided to launch this building that is expected to cost north of A\$650 million. The project is funded primarily by a Singapore bank, with part of the financing raised from Australian banks. A large portion of the development cost is funded off-balance sheet," says Koh.

There are many challenges to high-rise construction, says Koh. "The higher the building, the more it costs per net sellable area."

Can Melbourne's **property** market accommodate a project such as this? "According to my institutional advisors, Melbourne capital city apartments will increase [in value] at a pace of 5% to 7% annually. Our concern is about what the project will be worth in five to seven years," says Koh. "With escalating construction costs, outlook on prices are bullish [if] coupled with the level of government spending on infrastructure and transport. We are selling **property** futures — you commit now, at today's prices, for an asset that you pay for in five to seven years. The upside is obvious just off the back of the current **property** inflation rate.

"Australia is a branded product as well as a landmark. The prices of developments such as Eureka, Melbourne and Republic Tower held strong even during the financial crisis," says Koh.

**CO** leehwa : Aspiat Corporation Limited

**IN** i491 : Jewelry/Silverware | icnp : Consumer Goods

**RE** austr : Australia | singp : Singapore | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | seasiaz : Southeast Asia

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