

Branded Residences 2022

Latest market themes and outlook

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BRANDED IN NUMBERS

Almost a century on since the first true branded residence, and the sector has grown rapidly, particularly over the past 20 years. Flora Harley explores the latest data to understand what is behind surging demand for the sector, plus premiums commanded by the most sought-after residences.

A century of evolution

The first true branded residence, the Sherry-Netherland hotel in Manhattan, opened its doors in 1927. Almost a century later, there are more than 400 branded residences across the globe, the majority of which are hotel branded, according to Knight Frank Research.

Growth has been underpinned by demand for the product. More than one in three prime international buyers (39%) would be willing to pay a premium for a branded residence, according to our survey of more than 900 Knight Frank clients globally. That figure rises to 45% and 43% in Australasia and Asia respectively.

The key motivation for purchasing a branded residence is the service provision

and amenities. Second comes the development's high-yielding potential, while in third place is the building's management and maintenance.

39% OF RESPONDENTS WOULD BE WILLING TO PAY A PREMIUM FOR A BRANDED RESIDENCE

Q. Would you be willing to pay a premium to purchase a property in a branded residence development?

% of respondents

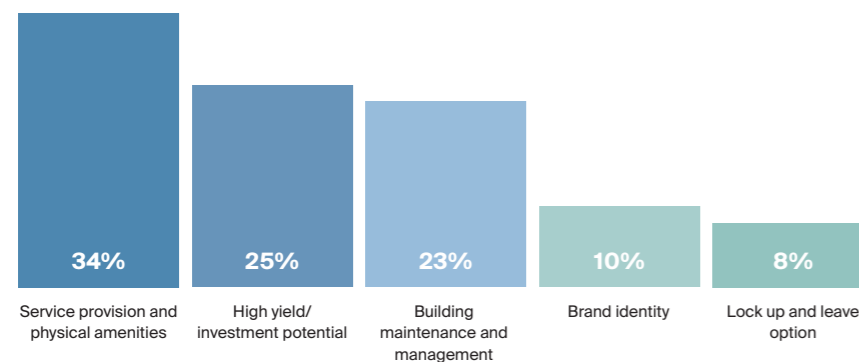
39% Yes

Source: Knight Frank Global Buyer Survey 2021

SERVICES AND AMENITIES ARE THE TOP MOTIVES BEHIND THE PURCHASE OF A BRANDED RESIDENCE

Q. If you were to purchase a property in a branded residence, what would be the key motive behind your purchase?

% of respondents



Source: Knight Frank Global Buyer Survey 2021

“Typically, the premiums are between 25% and 35% comparable to non-branded product.”

Premium living

As outlined in the development profiles in this report, drivers of demand vary from scheme to scheme. Whilst a brand association and its benefits may result in a premium in any region, the additional value varies substantially. Defining factors and special features, such as historical legacy or park views, can also influence the price that buyers are willing to pay.

Indeed, our research shows that there is great variation on price differentials between global cities, and even within cities. Price premiums can vary from as much as 132% in some cities in Asia, to there being no differential at all. Typically, the premiums are between 25% and 35% comparable to non-branded product.

A deep understanding of micro markets is required in assessing the business case for any branded concept.

A GLOBAL VIEW

In the following articles we explore the value drivers and benefits to both residents and owners in the largest launches, both recent and imminent.



MANDARIN ORIENTAL RESIDENCES, FIFTH AVENUE

Location
Fifth Avenue, New York

Size
69 private residences

Brand
Mandarin Oriental Hotel Group

Services
Five-star hotel services, full service spa and fitness centre, VIP dining experience curated by Michelin-star chef Daniel Boulud, residents-only rooftop pool, with cabanas bar and lounge service by Boulud Privé, dedicated concierge and doorman

Launch date (for sales)
Q4 2021

Est. opening date (for occupation)
Q2 2022

The Sell

Developed by SHVO, Mandarin Oriental Residences, Fifth Avenue provides all the legendary services of a five-star, luxury hotel with none of the guests. Set in an iconic location, New York's Fifth Avenue, these exclusive private homes are fully furnished and accessorised for ultimate convenience and provide the high-level concierge service of a top-end hotel.

"The notion of a hassle-free life is where we believe luxury is moving towards," developer SHVO tells Forbes. "The idea of a hotel without hotel guests is the fundamental vision for this project, because there's no greater luxury than living in a hotel, but not everyone wants to have hotel guests in their buildings or in their homes."

The New York building, built in 1926, was previously the Dorothy Gray Building, home to fashion house Gucci. The amenities include a private restaurant, by Daniel Boulud, a full service spa and wellness centre, pool, with exclusive lounges, restaurants and bars. In addition, shorter-term rentals (for as little as 30 days), which is not common among branded residences, is a bonus for investment buyers.



Rooftop fireplace



CROWN RESIDENCES AT ONE BARANGAROO



Location
Barangaroo, Sydney



Size
76 private residences, 364 hotel keys



Brand
Crown Resorts



Services
24-hour hotel concierge, 24-hour security, valet parking, in-room dining, housekeeping, VIP resident pool, resort pool, tennis court, state-of-the-art gym, six-star spa



Launch date (for sales)
Q2 2018



Est. opening date (for occupation)
Q2 2021

The Sell

Designed by renowned UK architect Wilkinson Eyre, the twisting architecture of Crown Residences at One Barangaroo not only provides standout views of Sydney Harbour's famous bridge and Opera House but stands alongside them as a defining feature of one of the world's most popular cities.

This is the first and only fully integrated hotel branded residence in Australia and has been created with exclusivity in mind. Every level is designed to be completely different, meaning no two residences are the same, as Crown Resorts development manager, Jennifer Tracy, explains.

"There's no repetition anywhere. From the column placement and the layout to the shape and interior design. Every decision that was made in its creation, was completely unique to that individual floorplate."

She adds, "Our roots are in hospitality so One Barangaroo has been created with that same ethos, which is to treat our guests in a customised, bespoke manner and to really get to know them to deliver the absolute best in effortless hospitality."

For residents, that means luxury delivered to their doorsteps. Hotel-style concierge service, an in-house sommelier and 14 bars and restaurants – including award-winning Michelin-star chef, Clare Smyth's restaurant, Oncore – provide residents with fine dining experiences in the comfort of their home.



THE OWO RESIDENCES



Location
Whitehall, London



Size
85 private residences, 120 hotel keys



Brand
Raffles Hotels & Resorts



Services
Five-star Raffles Hotel, eleven restaurants and bars, 24-hour security and concierge, private landscaped residents' garden, valet, underground parking and storage, hotel pool, separate vitality pool, residents' wellness spa, 16 seat cinema



Launch date (for sales)
Q2 2021



Est. opening date (for occupation)
Q1 2023

The Sell

Formerly London's Old War Office building, Winston Churchill's headquarters during World War II and inspiration for Ian Fleming's James Bond spy series, The OWO Residences by Raffles is a branded residence steeped in British history.

Set in the heart of Whitehall, opposite the Horse Guards building and a stone's throw away from St James Park, Downing Street and Buckingham Palace, every heritage room in The OWO has been preserved as part of a luxurious transformation, which incorporates 85 private apartments and a luxury hotel under one roof.

"Just two minutes away from the private residences sits Churchill's office, which is exactly as it was the day he left office," says The OWO head of residential sales, Charlie Walsh, as he describes the neighbouring historic rooms. "They are all beautifully panelled and have vaulted six-and-a-half meter high ceilings. When people walk in and see that level of history, they are going to be completely blown away."

Opening its doors to the public for the first time in over a century, residents will be sharing their address with other former historic figures such as Alan Turing and Lawrence of Arabia, making it a genuinely unique piece of real estate.

For Walsh, The OWO Residences by Raffles launch comes at a perfect time, with pent-up demand, following the pandemic, resulting in people looking for a combination of luxury, convenience and old-world charm.

He adds, "People want the ability to have the amazing feeling and experience of being in a hotel but having it whilst in their home. It's that little slice of security – of home – but wrapped within this amazing bigger sphere of a beautiful hotel, with luxury service."





THE TOWERS OF THE WALDORF ASTORIA



Location
Midtown, New York



Size
375 private residences, 375 hotel keys



Brand
Waldorf Astoria



Services
24-hour doormen and lobby desk attendants, 25-meter starlight pool, best-in-class training, nutrition and treatment programs by the hotel's signature spa, Winter Garden lounge with bar, Starlight Terrace and Lounge, Monaco bar, Grand Salon with city skyline views, Stage and Screen theatre, Monte Carlo Gaming Room and The Empire Club—a first-class business facility.



Launch date (for sales)
Q1 2020



Est. opening date (for occupation)
2023

The Sell

The Waldorf Astoria has a unique history. Having just celebrated its 90th anniversary, this celebrated art deco building has hosted a Who's Who of the world's rich and famous, including icons Frank Sinatra and Marilyn Monroe, plus music legends, US Presidents, world leaders and royalty.

Within this landmark building, 375 exclusive condos have now been created in The Towers to combine the hotel's 24/7 five-star services with completely private residences. Created by internationally acclaimed designer Jean-Louis Deniot, they blend the glamour and grandeur of the original architecture with cutting-edge facilities.

The Starlight Terrace with views of the New York cityscape is among a list of extensive residential facilities that include a 25-metre pool, Monte Carlo Gaming Room, multiple private bars and dining facilities.

"This provides an opportunity to buy into the Waldorf Astoria brand, have everything the hotel provides, and yet remain completely private and exclusive, including entrances and elevators," says Dan Tubb, The Towers of the Waldorf Astoria senior director of sales. "Branded residences are a smart choice, they are going to retain and build value over time while giving residents an upgrade on their lifestyle."



THE WHITELEY



Location
Bayswater, London



Size
139 private residences, 110 hotel keys



Brand
Six Senses



Services
London's first Six Senses Hotel, restaurants and spa, 20 new stores, a cinema, state-of-the-art gym and a range of fully accessible public spaces



Launch date (for sales)
Q4 2021



Est. opening date (for occupation)
Q4 2023

The Sell

The Whiteley restores a unique heritage site in the heart of West London. Designed by world-renowned architects Foster + Partners, this branded residence combines the 1925 construction's original art deco features, with innovative British design.

Set behind a Grade II-listed façade is 1.1 million sq ft of space providing 139 high specification residences, spanning studio to 5 bed apartments as well as townhouses, 20 new shops, cafes and restaurants, a cinema and a state-of-the-art gym. The residences are served by the Six Senses Hotel and Spa, one of the world's leading service brands, with over 60,000 square feet of amenities.

As well as the heritage facade, the development has retained many of its original features, including a central courtyard, a glass internal dome and a majestic internal staircase modelled on the La Scala opera house in Milan, which features as the centrepiece on the ground floor of the hotel.

"This has been designed to become the vibrant, beating heart of Bayswater," says Finchatton co-founder Alex Michelin. "The residences are the ultimate in convenience and have, without doubt, some of the best residential spaces anywhere in London. It also has the finest amenity offering of any building in London with wellness facilities, private gym, cinema, music room, pool, VIP lounge, bars and restaurants as well as exclusive boutiques."



We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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