Home is where the hype is

Images of European wealth and grandeur are becoming commonplace in promoting Hong Kong real estate. Jane Moir looks at the facts behind the glamorous campaigns.

There is a small corner of Hong Kong that is forever Monte Carlo in the eyes of PCCW Infrastructure’s marketing department. Along this sweeping coastline sits a $100 million mansion dripping in expensive ornaments, from a 19th-century painting by Henri-Guillaume Schlesinger acquired from Sotheby’s to a large chandelier adorned with 3,000 Swarovski crystals.

Women in white gloves escort guests past the large brass lions at the gate to the white marble interior of the house. At a nearby jetty, a large white cruiser is waiting for passengers and a collection of classic sports cars are parked in the garage.

To lure visitors to this mansion, a television advertisement depicts a stylish couple in their open-top car speeding their way along the Monte Carlo water’s edge. In another advertisement, viewers are shown an attractive manor in Versailles with its lush green gardens.

It is a dwelling with a difference: purpose-built to house three show flats, with a shelf life of just 18 months. At the end of the year this replica chateau in Pokfulam will be bulldozed to make way for phase five of Residence Bel-Air.

Homeowners who start moving in from September will keep their sea view, but it will be one of shipping containers. Likewise, the panorama of a pink Versailles mansion will be swapped for tower blocks and the grey steel of technology park Cyberport.

It has been a marketing exercise of unprecedented proportions: planned 20 months in advance, multi-faceted down to the wine tasting, concert sponsorship and gala dinners. PCCW Infrastructure ploughed $120 million into the process.

The campaign has also epitomised a cultural renaissance sweeping through the world of property marketing. Developers are not just selling bricks and mortar any more; they are peddling a well-heeled way of life.

“We don’t treat this as a commodity,” says Wendy Gan, sales and marketing director of the project. “What we are selling is a lifestyle.”

She holds a photograph of the Monte Carlo coastline against that of Pokfulam. The topography is similar, she claims: a “breathtaking” coastline in the south of Hong Kong, with rolling hills in the background.
The idea was to project an image of European grandeur, coupled with a Californian lifestyle. Residents can get a feel for the former through the paintings and brass sculptures on show in the club house; inside their apartments, the Gaggenau cooker and B&O phones add a touch of Santa Monica to the fittings.

The domestic quarters are also generous by Hong Kong standards. “If you have four maids you can house them quite comfortably,” says Ms Gan.

“We understand the lifestyle of Hong Kong people. They are very busy, like to enjoy life but don’t have the time. Even with space - although Hong Kong in general doesn’t give a sense of space normally, here it’s different.

“Everyone has a full sea view. Everyone will have a balcony. That’s how we create a sense of space.”

There is also a sense of space between Residence Bel-Air’s advertising and reality. At the end of the day, residents will own an 800 sq ft to 2,500 sq ft apartment in a mass development in Pokfulam.

Ms Gan smiles when asked about the disconnect. “I think most people who come here fall in love with the place. Some people may have tried to look for the [Versailles] chateau, but they are just trying to be cheeky.”

Selling the dream came at a lavish price - $120 million, the bulk being spent on the replica mansion. Yet the developer is comfortably marketing phase three of the development after the first two offerings were snapped up, not an easy task given the selling process kicked off at the peak of Sars.

While phase one averaged $5,500 per square foot, the price for the third phase is now on average $8,000 to $9,000 per square foot, with one luxury duplex reaching nearly $100 million. In all, the marketing outlay “helped us to sell $13.3 billion of flats”, Ms Gan says.

Other developers have followed suit with their sales pitch, albeit on a smaller scale.

A recent television campaign by Mission Hills Properties depicted a colourful band of royals romping in the grounds of London’s Blenheim Castle. The theme, explains chief executive Karen Wong, is “every king has his own castle; history has never changed”.

The houses in question are in Shenzhen, ranging from 440 square metres to 900 square metres, with views of Mission Hills’ World Cup golf course, designed by Jack Nicklaus. The starting price for the villas is $10 million.

The choice of Blenheim Castle to give a taste of this southern China experience was simple: “The palace was very grand, for tasteful people,” Ms Wong says. “Now in the modern day, for this elite group - for rich people - they have got taste and would choose a big mansion like Mission Hills.”
Ms Wong admits the advertisement aimed to catch the eye. “I just wanted to get their [potential buyers’] attention and create a talk of the town. I think I have fulfilled this; everyone noticed it and talked about it.”

So far, 15 of the houses - out of a total “village” of 200 - have been sold. Ms Wong would not give a figure for the total amount spent on the campaign, except to say “it will be a lot”. According to advertising research firm Admango, print ad spending on Mission Hills in Residence between January 2002 and May this year came to $8.3 million.

Phase two of the property’s advertising campaign is soon to kick off, this time concentrating on the lifestyle element. “It’s about maximising time,” Ms Wong says. “It [the property] offers a very good social event, a social circle.”

Another advocate of the European theme is Cheung Kong, which chose scenes of Paris to reflect elements of its Pacifica development in Cheung Sha Wan. A television campaign showed historic monuments in the French capital and outdoor cafes, to give a “European atmosphere”, according to a member of its marketing team.

Cheung Kong executive director Justin Chiu has taken the campaign to heart, appearing at promotions dressed as Napoleon.

A large photograph of the Arc de Triomphe has been used for the development’s billboard advertisements. The connection to the six-phase residential development is that “our design of the properties included some European style of architecture ... the garden area, and also the club house”.

Another of Cheung Kong’s developments, One Beacon Hill in Kowloon Tong, uses “unspoken flair” as its theme in television commercials. “When you have the power, you don’t need to speak, you don’t need to brag,” says Sylvia Lee, managing director of advertising agency Leo Burnett.

In the advertisement, a queen appears in the frame. Everyone around her bows. “They didn’t need to say a thing; everyone pays respect,” says Ms Lee, who worked on the campaign.

The idea is to appeal to the “old money” types who would choose to live in Kowloon Tong.

Yet to Ms Lee, the concept of aspirational advertising is saturating the market. “Even the non-prestigious ones are advertising the same thing. Why is everyone always wearing evening dress at home? It’s becoming very cliched. Every time I switch on the TV, I see the same thing.”
It is no coincidence that the properties in question fall into the same category. They represent the middle and luxury end of the mass market, where competition is fierce and developers must raise the marketing bar to set their housing apart from rivals.

“Developers are trying to give prestige to the brand name,” says Ms Lee. “So if people buy now, in 10 years’ time it’s going to appreciate.

“You have an opportunist target audience in Hong Kong - so how do you leverage on that kind of mindset and attitude and give value to the brand name so people can see beyond the price?”

The pervading sense of escapism in advertising is a product of the market, says CLSA property analyst John Saunders. “It’s always a competitive end of the market, how do you differentiate yourself because a lot of the properties could be relatively similar.”

Developers suddenly found themselves competing for buyers after a 70 per cent drop in property prices after the Asian financial crisis. Although the market is believed to have hit bottom at the peak of Sars, debate still wages as to the actual extent and whether the recovery is speculative in nature.

“It’s been less tough recently,” says Mr Saunders. Nevertheless, developers were dealt a harsh blow after 1997, as they tried to shift flats in a deflationary cycle. Gone were the days when “all you had to do was open your sales office and try to stop the fighting in queues”. With fewer properties coming on the market, however, he sees a gradual return to the easy sell.

In the meantime, the European historical approach has some mileage left in it - down to the designer wallpaper and the extravagant lobbies. “One thing they [developers] do is try to get the communal areas fairly swanky to get that feeling of grandeur,” says Piers Brunner, managing director of Colliers International.

“I think the world over, advertising does seem to be very aspirational ... it does seem, though, that some of the disconnects here in Hong Kong are more extreme than in other markets.

“I have just got to believe that maybe some of this advertising is more eye-catching because it’s more extreme, and the average Joe Public does not believe they are buying into Versaille.”