Co-working: The new reality

Consolidation is taking place in the co-working sector, as landlords and co-working providers draw lessons from giant WeWork’s implosion.

Turn to our Cover Story on Pages 8 & 9.
One Holland Village Residences sells 98 units at weekend launch
One Holland Village Residences sold 98 out of 296 residential units launched, and attracted a crowd of close to 1,500 people at its weekend launch on Nov 30 and Dec 1.

One Holland Village Residences is part of One Holland Village, a mixed-use development by joint-venture partners Far East Organization, Sekisui House Ltd and Sino Group. It occupies a site that spans more than three football fields in size, in Holland Village.

The mixed-used integrated development comprises 296 residential units, offices and retail space. One Holland Village Residences will feature three distinct offerings: Senee, Levon and Quincy Private Residences.

According to Far East Organization, the most popular units that have been taken up are the one- and two-bedroom apartments from Senee. Ninety per cent of home buyers are locals while the remaining buyers are permanent residents and foreign workers from countries such as South Korea, Norway and the UK. Just under half of the buyers live in the District 10 and 11 localities, adds it.

The average price fetched for Senee is $2,600 psf. Levon clocked an average price of $2,900, while the average price for Quincy Private Residences, the most luxurious of its offerings, reached $3,200 psf.

“High frequent this area and like the character and diverse culinary options here,” comments Annabelle Au, one of the buyers who works as a legal professional.

Cheryl Huan, chief operating officer of Far East Organization’s sales and leasing group, says: “We are very encouraged by the strong response to One Holland Village Residences. The buyers are different from home buyers who hail from all parts of Singapore as a testament to the development’s broad appeal, and we can truly see how much people value the opportunity to live in one of Singapore’s most enduring and charming neighbourhoods.”

Cushman & Wakefield appointment
Cushman & Wakefield has appointed Brenda Ong to lead its industrial and logistics business in Singapore.

Ong has over 20 years of experience serving Singapore’s leading industrialists and logistics players. Her expertise includes negotiating leases with the government landlords on behalf of industrialists, and sourcing build-to-suit business premises for their business operations, according to Cushman & Wakefield.

“Ong is equally adept at executing the sale and purchase of industrial developments, handling transactions for multiple leading property investors, institutional investors, funds and REITs,” says the firm.

Prior to this, Ong worked with CBRE and Colliers International.

“As a leading global real estate services firm, we want to ensure that we have the best talent in place to help our clients navigate these changes. Ong’s appointment bolsters our industrial and logistics capability and positions us to better service our clients in this growth sector,” says Dennis Yeo, chief executive, Singapore and Southeast Asia, Cushman & Wakefield.

Ong joined the firm with effect from Dec 2 and reports to Yeo. She leads a team of six brokers.

Crown Group’s penthouse in North Sydney up for auction from $3.8 mil
Australian developer Crown Group has put up a penthouse at its North Sydney residential development for auction from A$4.1 million ($3.8 million).

The penthouse is part of Sky by Crown Group, a two-storey building comprising 242 apartments, an expansive foyer, ground-floor retail outlets, a curved vertical “veil” enveloping the building’s exterior, a top-floor gym and an infinity-edged rooftop pool.

The three-bedroom penthouse has a combined area of 3,520 sq ft over two levels, and captures views across Sydney Harbour from all rooms. It also provides two private penthouse-only car spaces, and a storage room that spans 237 sq ft.

“Buyers can enjoy the stunning private rooftop terrace and garden with spectacular views of Sydney Harbour and Sydney Opera House, in addition to Legrand home automation, Miele appliances and an integrated Bang & Olufsen sound system,” says Prisca Edwards, Crown Group’s director of sales.

An exclusive signature collection of premium one-bedroom and two-bedroom apartments in Sky by Crown Group, which has never been released before, is also available for sale.

Sky by Crown Group is a six-minute walk to North Sydney train station, 5km from the Sydney CBD and a 20-minutes drive to Sydney Airport.

The development is designed by Japanese-Australian architect Koichi Takada.

SB Architects unveils design for Crescent Hills in Xiamen
SB Architects has revealed the design for Crescent Hills, a luxury residential and hospitality project in Xiamen, China.

Crescent Hills is an upscale leisure destination comprising residential offerings, a natural hot spring park and water park, and a luxury resort hotel. It is within one hour of Xiamen, Zhangzhou and Quanzhou, and 30 minutes from Xiamen Gaoci International Airport.

SB Architects was commissioned to design the first, second and third phases of the project, which includes villas, apartments, townhouses, and traditional Chinese residences with a U-shaped layout.

The 57 villas are painted in black, white and grey with warm wood accents, reminiscent of a traditional Chinese painting of mountains and water. Bamboo groves separate the villas for a more serene and secluded feel. The public hot springs also feature green foliage.

The villas, ranging 1,636 to 2,852 sq ft, each feature a living room, dining room and guest room on the ground floor. The master bedroom, guest bedroom, and bathroom are on the second floor. The third floor is designed for meditation. Green foliage in the courtyard provides tranquillity and privacy.

Seven Capital highlights top five emerging UK residential hotspots for 2020
UK property investment firm Seven Capital has revealed its top five picks for emerging residential hotspots in the UK for 2020.

The residential localities are Bracknell, Slough, Newmarket, and Milton Keynes.

“Bracknell’s average property price is about £370,000 ($658,517) – around half of that of the capital, and far less than other surrounding areas including Wokingham (about £480,000) and Acoot (about £870,000),” according to Seven Capital.

The area is also home to tech companies such as HP, Dell and Hitachi.

The place offers “its own thriving business community, alongside fast, direct connections to London and other key destinations, but with a much lower price tag”, the firm adds.

Bracknell was recently named in The Times as one of Britain’s most thriving communities, it highlights.

Price-wise, Slough is around £200,000 less than neighbouring Windsor and about half the prices in London, Seven Capital notes.

The area is also home to global headquarters such as mobile network operator O2 and confectionery manufacturer Mars, and is receiving more than £1 billion in regeneration projects, it says.

Meanwhile, average prices of residential offerings fetched in Seven Capital’s Warehouses are around £293,000. It is home to pharmaceutical firm GSK’s largest research and development site.

At Newmarket, house prices have increased by 5.3% over the past 12 months, showing some of the highest and fastest house price growth, the firm says.

Lastly, Milton Keynes, 33 minutes by train from London, boasts the third highest number of business start-ups per 10,000 of the UK population and has a strong economic performance, it adds.

The city is expected to double its population to 500,000 by 2050, notes Seven Capital.

Otium Living launches luxury retirement village in Phuket
Otium Living, retirement village developer and operator, has launched its first luxury retirement village in Phuket, Thailand.

Otium Phuket spans 20 acres and is part of the larger five-star MontAzure mixed-use residential and retail development, it says.

The retirement village has a total of 149 properties, comprising 123 apartments and 26 villas, which will be available for purchase. It is set in the tropical hillside of a protected nature reserve and close to Kamala Beach in Phuket.

Residents have the option to live at Otium Phuket full-time or use the property as a holiday getaway.

Facilities at the village include gym, fitness, pilates and yoga spaces; a luxury spa with sauna and steam rooms; a private cinema; an outdoor amphitheatre; an art studio and event space; a library and games room. There are also

CONTINUES ON PAGE EP7
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BUILDING FOR GENERATIONS
Under the Government Land Sales (GLS) Programme for 1H2020, three Confirmed List sites and eight Reserve List sites have been released, the URA announced on Dec 3.

In total, the sites can yield about 6,490 private residential units, 114,000 sq m (1.2 million sq ft) gross floor area (GFA) of commercial space and 1,070 hotel rooms. Sites under the Confirmed List comprise two private residential sites (including one executive condo or EC site), as well as one commercial and residential site. The Confirmed List sites can yield about 1,275 private residential units (including 600 EC units) and 236,806 sq ft GFA of commercial space.

Meanwhile, the Reserve List comprises four private residential sites (including one EC site), three white sites and one hotel site. These sites can yield about 4,715 private residential units (including 595 EC units), 990,280 sq ft GFA of commercial space, and 1,070 hotel rooms.

Private housing supply

The supply of private housing units in the pipeline remains high, at “around 39,000 currently”, the URA says. These include 34,000 unsold units from GLS and en-bloc sale sites with planning approval, and an additional 5,000 units from sites that are pending planning approval.

As at end-2018, the supply of private housing was around 45,000 units. Property consultants believe that the chances of sites in the Reserve List being triggered are likely to be low. “Given the increasing supply of new homes and unsold units, developers are likely to be mindful of the increasing competition for potential buyers and are likely to exercise caution in their land banking strategies,” comments OrangeTee & Tie.

“Developers may likely prefer to pare down their existing stock. Even for developers with low housing stock, they may still prefer not to increase their land bank too excessively to avoid head-on competition with other developers,” it adds.

Christine Li, head of research, Singapore and Southeast Asia, Cushman & Wakefield, says: “Redas [Real Estate Developers’ Association of Singapore] is also concerned about the high supply pipeline, and has called for a sustainable approach in land purchases and capital allocation. We believe that developers will heed this call and be prudent in their bidding for residential land parcels.”

Meanwhile, the URA highlights: “While the demand for private housing units has increased in the past two quarters, the overall transaction volume has remained modest relative to the period leading up to the introduction of the property market cooling measures in July 2018.” It has also observed “moderate” demand from developers for residential land and bidding interest for GLS tenders.

OrangeTee says: “The pace of price increase for private homes has slowed down substantially after the implementation of cooling measures and is now rising more in tandem with economic fundamentals … The pertinent issue is to address the short- to mid-term oversupply situation. By maintaining the supply of new housing units for next year, the market may be better able to absorb the balance unsold units, thus further stabilizing the private residential market.”

Pipeline of mixed-use sites

Notably, property consultants believe that the attractive mixed-use sites are the land parcels at Taman Merah Kechil Link and Jalan Anak Bukit, both located near MRT stations – Tanah Merah on the East-West Line, and Beauty World on the Downtown Line respectively. As a testament to the popularity of the Tanah Merah locality, the 720-unit Grandeur Park Residences, opposite the site at Tanah Merah Kechil Link, has seen healthy buyer demand. It is 98% sold to date, fetching a median price of about $1,550 psf per plot ratio (psf ppr).

Cushman & Wakefield’s Li expects the Tanah Merah Kechil Link site to fetch bids in the range of $850 to $900 psf ppr. On the other hand, the Jalan Anak Bukit land plot “will help to spruce up the Beauty World precinct, where there is a lack of office space and retail stock is predominantly aged”, says Desmond Sim, head of research, South-east Asia, CBRE.

Sim sees the commercial components to serve the residential catchment in the Beauty World neighbourhood as being in line with the URA’s plan to enhance street-level activities and add vibrancy to the area. In fact, the release of this site will kickstart the urban transformation of the Beauty World area as there will be more land parcels released in the area, as reflected in the URA Master Plan 2019, Sim adds.

New launches in the Beauty World vicinity include Daintree Residences, which has sold 69 units, and View at Kismis, which has sold 47 units at an average price of about $1,700 psf as at October 2019.

Under the Reserve List, there is a white site at Woodlands Avenue 2 for a mixed-use development. The site “will help to sustain the development momentum of Woodlands Regional Centre as a major commercial node outside the city, in line with the government’s objective of decentralising employment centres to bring job opportunities closer to homes”, URA states.

“Live, work, play” focus

OrangeTee believes that more mixed development sites are released this round – two of the three residential sites under the Confirmed List and all three white sites have mixed components – as a tie-in to the government’s focus on “live, work, play” within an integrated development.

Two sites at Marina View and River Valley Road have been carried over from the 2H2019 Reserve List, which the URA expects “will provide ample opportunities for developers to initiate additional supply of hotel rooms over and above the current pipeline supply”.

Number of residential units released under the GLS programme

The 720-unit Grandeur Park Residences, opposite the site at Tanah Merah Kechil Link, has received healthy buyer demand, having sold 96% to date.
Redas urges developers to be ‘more prudent’ in land purchases, capital allocation

With the real estate sector currently seeing high supply and subdued demand, Real Estate Developers’ Association of Singapore (Redas) president Chia Ngiang Hong has called for property developers to adopt a more prudent approach in land purchases and capital allocation in what he describes as a challenging market situation.

The residential property market faces “potential downside risks” from “a large supply of unsold units in the medium term and an uncertain economy, if not accompanied by a corresponding rise in demand”, he notes at the Redas 60th Anniversary Dinner on Dec 2.

Furthermore, as observed by the Monetary Authority of Singapore in the past two quarters, the “relatively healthy developer sales” seen in new launches were largely due to project-specific features such as a good location, Chia adds. This is in contrast to other projects that “only saw moderate sales in the initial phase of their launches”, he highlights.

Desmond Lee, Second Minister for National Development, observes that land bids over the past year have been “more cautious”, while private housing prices have appeared to be “moving more in line with economic fundamentals” as compared to 1H2018. Lee, who is also Minister for Social and Family Development, was guest of honour at the Redas event.

He adds: “These are signs that the market is not overly exuberant, but growing at a more sustainable pace.”

With more supply of private housing units expected to come on stream, Lee says that developers should “pace out the launches steadily, to match the demand from buyers”.

Lee also addressed the concern that global economic uncertainty might attract foreign capital inflows to the local property market. He points out that currently, the share of transactions by foreigners remains stable and low, accounting for 5% to 6% of the total transactions over the past three quarters.

Reiterating the government’s stance, Lee states that a “hands-off” approach to the property market is not desirable, because the experience both here and abroad has shown that left to itself, the market tends to go through large price swings, which harms genuine home buyers and homeowners. “Today, the market is broadly stable, in part due to active measures that were implemented in July last year,” he says.

Lee also charted out the possible changes the property market faces in Singapore. First, Singapore’s skyline “will continue to evolve and change”. This has already started through the government’s long-term plans for the Greater Southern Waterfront, together with the relocation of the Paya Lebar Airbase. More to come are the plans for Jurong Innovation District, and the Underground Masterplan.

Next, green buildings will be made a priority with a continued push for more net zero or super-low-energy buildings, given the concerns brought about by climate change. To build and maintain a more effective and sustainable city, technology will be deployed, and a focus will be given on research and innovation through the BuildSG Transformation Fund and the Built Environment Technology Alliance.

Finally, through the pilot Business Improvement District (BID) programme, common spaces can be better created, activated and energised. Among the precincts, Kampong Glam, Tanjong Pagar and Singapore River have new life injected into these areas through the programme.

In support of the government’s initiatives, Chia urges Redas and its members to work even more closely with one another, to “push the industry transformation, innovation and internationalisation agenda”.

“Much remains to be done and I am optimistic. Singapore is an attractive proposition … Singapore properties remain a viable asset class for Singaporeans and investors,” says Chia.
In the Hillview Garden Estate, up on Jalan Dermawan in District 23, is a 999-year leasehold detached house that is currently on the market for $10.8 million ($1,196 psf). With a land area of 9,032 sq ft and a built up area of about 11,000 to 12,000 sq ft, this three-and-a-half-storey detached house is an amalgamation of two adjacent semi-detached houses. According to OrangeTee’s associate executive director Jeffrey Sim – who is marketing the property – the current owners first stayed at one of the houses before purchasing the neighboring unit when it went on sale. Both houses were then torn down six years ago for a reconstruction work which Sim says costs “at least $3.5 million”.

The house strikes a balance between traditional and contemporary styles. The white walls are a stark contrast to the ornate wooden furniture. The highlight of the house is the constant flow of natural spring water which comes from the dedicated water reserve tank in the basement. “The spring water is unlimited, and can be used for various activities like tea-making, floor mopping, plant watering, gardening and even washing,” says Sim.

Deep-rooted tradition is also evident from the classical Chinese furniture like the wooden television console, wooden rectangular wastered stools and the throne armchairs with Chinese dragon carvings in the living room. Notably, Chinese lattice windows in a striking emerald is a constant feature throughout the house and especially at the main entrance framing the doorway. Touches of classical Chinese architecture can be seen, especially in the siheyuan – a courtyard surrounded by buildings on all four sides – a historical type of residence commonly found in China. Having a courtyard located in the middle of the house with generous windows on all sides ensures that the house is constantly bathed in natural light and allows cross ventilation.

The house comes with two wings, with a total of 11 bedrooms, including the helper’s room. The master suite occupies the entire top floor and opens out to a roof terrace offering...
Straits Trading acquires property in Victoria for A$24 mil to expand retirement housing venture

Thakral Corp's latest acquisition will be through its GemLife joint venture, bringing its portfolio to more than 1,800 residential units

Thakral Corp is set to acquire another 46.4ha of prime land in Queensland, Australia, through its GemLife joint venture for over-50s retirement housing.

In a regulatory filing on Tuesday, Thakral announced an acquisition of a property located on the Pacific Paradise on the Sunshine Coast in Queensland, Australia.

GemLife’s CEO Adrian Puljich says that the finalisation of the acquisition has unlocked the next phase of the development.

Gregory John Piercy, Director of GemLife and Joint Managing Director of Thakral Capital Australia, adds that the acquisition marks another milestone for GemLife.

“This follows a strategic decision over five years ago by Thakral’s Investment Division to invest in the retirement living space, he says.

“Site is also close to the new A$1 billion Westfield Coomera Town Centre as well as the rail line connecting the Gold Coast to Brisbane. Given its good location and the continued demand for retirement housing in Australia, we expect the take-up for this project to be excellent,” says Piercy. — The Edge Singapore

Property briefs

Strait Trading acquires property in Victoria for A$24 mil to expand Australian portfolio

The Straits Trading Company is acquiring a mixed-use office and industrial property located in Molgrave, Victoria in Australia for A$24 million ($22.3 million).

In a bourse filing on Wednesday, Straits Trading reported that the property has a total net lettable area (NLA) of 12,157 sq m, and is located some 21km southeast of the Melbourne Central Business District.

According to Straits Trading, the consideration was arrived at on a willing-buyer and willing-seller basis.

The group also highlighted how this acquisition marks the “continuing expansion” of its portfolio. This comes on the back of its acquisition of five industrial properties across Australia in September last year, as well as a 37,970 sq m parcel of land for mixed-use office and warehouse facility development in Adelaide in September.

Straits Trading said that the acquisition will be satisfied by a combination of internal funds and bank borrowings.

Thakral acquires another Queensland property to expand retirement housing

Thakral acquires another Queensland property to expand retirement housing

Thakral Corp is set to acquire another 46.4ha of prime land in Queensland, Australia, through its GemLife joint venture for over-50s retirement housing.

In a regulatory filing on Tuesday, Thakral said that the land, located in Pimpama, within the Gold Coast region, will accommodate a world-class lifestyle resort for those aged above 50 years old.

GemLife has committed about A$20 million ($18.7 million) to the resort, which will be its largest to-date.

Subject to development approval, the resort will comprise about 450 homes upon completion, Thakral says.

It will also feature first-class modern, low-maintenance homes and extensive, premium community facilities.

This will bring GemLife’s portfolio to seven resorts, with more than 1,800 residential units.

Construction at the site is expected to commence in Q42020.

The acquisition comes just two months after Thakral announced an acquisition of a property located on the Pacific Paradise on the Sunshine Coast in Queensland, Australia.

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FROM PAGE EP2

views of Hillview and Bukit Timah. The master

Sim reckons the detached house will appeal
to those with big families or multi-gen-
erational families who want to live together.

The current owners are looking to down-
size as their children have grown up and

moved out. Hence, they have decided to put

the property for sale, he adds.

Several interested parties have already
visited the property and made offers. “But

they were below the asking price,” says Sim.

The main draw of the property is its hill-
top location. It’s a 20-minute walk to Hillview

MRT station on the Downtown Line, a 3-min-
ute drive to HillV2, 5-minute drive to The Rail

Mall, and a less than 9-minute drive to both

Hillion Mall and Bukit Panjang Plaza. It is also

well-connected to the Bukit Timah Expressway

and Pan Island Expressway.
Low Jeng-tek, CEO and director of Homestead Group, a Singapore-based real estate company that invests in and manages a portfolio of heritage properties, is a big believer in co-working. “It’s because of this,” he says, as he scans the crowd at Tangles, a sports café at Tanglin Club, and spots people working on their laptops. “The driver of co-working is real because millennials like such spaces,” observes Low.

The co-working narrative was also driven by the likes of US co-working giant WeWork, which was hailed as a unicorn in the league of Uber and Airbnb. “As tech plays, these companies were well-funded by investors and had high valuations,” says Low. “It was imperative for them to grow market share and ramp up occupancy. Profits could come later.”

That narrative ended abruptly after WeWork pulled its IPO at the end of September. Softbank, WeWork’s biggest investor, slashed the company’s valuation to less than US$5 billion (or less than $6.8 billion), according to reports, down 80% from the high of US$47 billion in January this year. WeWork announced last week that it is laying off 2,400 employees in an effort to stem losses.

To be sure, co-working in Singapore has taken off in a big way. The amount of co-working space has multiplied 8.5 times from about 400,000 sq ft at the end of 2016 to 3.4 million sq ft today, according to JLL. The number of operators has also more than doubled to 53 flex-space operators – both serviced office and co-working. JLL estimates that co-working space accounts for about 5% of the total office stock of 68 million sq ft across Singapore.

However, there were signs that consolidation was taking place even before WeWork imploded. For instance, two niche Singapore-based operators, Collision 8 and Found, merged to create Found8 in February this year. Last October marked the acquisition of co-working platform Collective Works by a joint venture between CapitaLand and The Work Project.

Some co-working operators from overseas who had inked deals to take up space in Singapore have quietly bowed out. Word on the street is that Hong Kong-based co-working operator, Campfire Collaborative, will not be moving into 139 Cecil Street after all. Campfire could not be reached for comment.

A year ago, Campfire had announced that it would be taking up the entire 16 storeys of the new office tower at 139 Cecil Street. The former 11-storey building was extensively refurbished and five new floors were added. Facilities would include a sky pool and rooftop bar, according to Campfire in the announcement.

The new co-working space at Cecil Street was to span 85,000 sq ft, making it the biggest Campfire location. The co-working space operator has 20 locations, predominantly in
Hong Kong, as well as in London and Sydney. On the back of Campfire’s debut, the owners of the Cecil Street building, DB2 Group and Vibrant Group, had put the property on the market for sale at a price tag of $218 million in March. However, no successful bids emerged at the close of the tender. The building is still on the market for sale as well as for lease.

**WOTSO LEAVES SINGAPORE**

Another example is Wotso, an Australian home-grown co-working provider. Its flagship space in Singapore was at The Quadrant on Cecil Street. Wotso’s co-working space at The Quadrant was a joint venture between Australia Stock Exchange-listed (ASX-listed) property fund manager Blackwall Property Trust and Singapore-based firm Springboard Pte Ltd. The joint-venture company signed a five-year lease with the landlord that started towards the end of 2016 and was due to expire in 2021.

The landlord of The Quadrant is Homestead Group, which is in turn the master tenant of the entire building, on a 3+3+3 year lease from Singapore Land Authority. Built in the 1930s in the Art Deco style, The Quadrant was originally the regional headquarters of the Kwangtung Provincial Bank in Singapore. After World War II, it became the headquarters of the Four Seas Bank. Last year, Homestead even proposed to the URA to have The Quadrant conserved. “We have been watching the co-working space, and we always thought The Quadrant would make an amazing co-working location,” says Homestead’s Low. “But we made a conscious decision not to operate the space ourselves.”

According to Blackwall’s 2019 annual report (financial year-end in June), the group had disposed of its entire 60% stake in Springboard Management Services as at Dec 31, 2018. It also ceased operating the Wotso co-working facility in Singapore at the end of last year. Even as Wotso exited Singapore, it established a foothold in Malaysia, having formed a joint venture with Malaysian-listed property developer UEM Sunrise in February 2018. Twelve months later, this February, the joint-venture partners announced the opening of their flagship co-working space of 14,000 sq ft at Mercu Summer Suites, a project by UEM Sunrise in the heart of Kuala Lumpur.

BlackWall has also announced its intention to spin off Wotso as a standalone business to be listed on the ASX before the end of the year. Launched in 2014, Wotso has 18 co-working locations across Australia today, occupying 43,000 sq m (462,852 sq ft) of space in Brisbane, Sydney, Canberra, Adelaide and Tasmania. Stuart Brown, CEO of BlackWall Property Funds and Wotso WorkSpace, could not be reached for comment.

**CLUBCO TAKES OVER**

Homestead has secured a new operator to take over Wotso’s remaining lease for the co-working space at The Quadrant since July this year. Called ClubCo, the co-working company was founded by Charlie Brazier sometime in 2016. “My theory was that people who go into co-working spaces still spend half their time in cafes, restaurants and bars. And we decided to put them together,” says the Australian serial entrepreneur.

Having moved to Singapore in 1998 to set up his furniture business that he saw an opportunity to enter co-working. Brazier saw how small enterprises and even big multinational companies, including financial institutions, were moving towards more agile workspaces. At that time, Brazier was a part-owner of a restaurant at China Square Central called Club Meatballs. There was an empty space at the back of the restaurant that he felt was “perfect as a co-working space”. Hence, he launched ClubCo in early 2017, with the first co-working space located behind Club Meatballs at 20 Cross Street.

However, the Club Meatballs restaurant and ClubCo space closed recently, and ClubCo had to vacate its premises to make way for the refurbishment of China Square Central by Frasers Property early this year. The second ClubCo space, which was launched in early 2019, is on the upper floor of a conservation shophouse at Capital Square in the CBD. Middle Eastern restaurant Kazbar is the tenant on the first level.

The anchor member at ClubCo Capital Square is Accelerating Asia, which runs programmes for start-ups and has taken up 35 desks in the space. There are 50 members at ClubCo Capital Square today.

Meanwhile, at The Quadrant, the first few months were “the transition period” as ClubCo took over the co-working space. According to Homestead’s Low, occupancy at that point was already about 80%. “ClubCo has done a great job managing the space,” he adds.

The co-working space at The Quadrant “is filling up fast”, says Brazier. There are 95 ClubCo members there today.

**LAUNCH OF MULTICO PARTNERSHIPS**

With two physical ClubCo co-working spaces in Singapore and over 140 members across both these spaces, Brazier feels it is now time to launch MultiCo. The concept is based on a partnership with F&B outlets – bars, restaurants and cafes – where ClubCo members can work for free.

Ten F&B outlets have signed up with MultiCo, including The Black Swan at The Quadrant; Little Creatures, a brewery on Club Street; Pizza Express and Piccolino Express, a bar, bistro and pizzeria, with multiple locations. Others who have joined include The Exchange Singapore, the bar, restaurant and event space at Asia Square Tower 1; Cafe Melba at Goodman Arts Centre and Medipolis; Bull and Bear at Far East Square; the Fairmont Hotel; and Rabbit Carrot Gun, a restaurant on East Coast Road.

Brazier is targeting to tie up with 30 F&B operators by next year. ClubCo members can buy F&B packages along with their co-working membership. “From my perspective, it’s great because the business model is very scalable,” says Brazier. “It’s quite sustainable because you’re not relying on long leases and you’re working on partnerships with F&B outlets.”

He believes the MultiCo concept could extend to hotels and resorts too.

**LESSONS FROM WEWORK**

Co-working players could learn from WeWork’s missteps, reckons Brazier. “Co-working space providers ought to grow on the back of profitability,” he says. “That’s always been our strategy. We only raise money if we need to take on additional space.”

He also feels it is time to invest in technology before he can further expand ClubCo and MultiCo concept overseas. “As soon as that is in place, we will be looking at more outlets,” he says. “We are from Australia originally, and I have a lot of friends who own bars and restaurants in Bali, Phuket and other resorts.”

Another lesson Brazier learnt from WeWork’s debacle is to not overextend and take on too many big leases, which are a liability, he says. “Being less lease-driven and working with F&B operators to fill up under-utilised space during the day is a more sustainable business model.”

At The Quadrant, Brazier’s arrangement with Homestead is more of a partnership rather than a pure tenant-landlord relationship. “They support us and help us manage the space, and we share some upside as we fill up the space,” says Brazier.

In the past, ClubCo’s challenge was having to miss out on new spaces as Brazier sought to raise the bar. “Sometimes, even if we’ve never aligned with your profitability,” he says. However, new opportunities could open up as consolidation continues in the co-working sector.

Likewise, Homestead’s Low has learnt that “minus the hype, co-working like any business, is about being able to deliver on your promise,” he says. “We’re confident that ClubCo will continue to deliver.”

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**SPIN-OFF, LISTING PLANS**

Under the lease agreement, Wotso was to pay a fixed rent and a percentage of gross turnover. According to the lease, if a percentage of operations, the space was more than 80% taken up. But by the time Wotso exited the space at the end of 2018, occupancy was hovering in the 50% to 60% range, relates Homestead’s Low.

As such, Homestead stepped in at the start of 2019 to take over the obligations and the running of the operations to ensure continuity for the co-working members there, adds Low.
JustCo continues regional expansion despite more cautious sentiments

BY CECILIA CHOW |

The crash of WeWork, one of the largest co-working providers in the US, has raised concerns about the future of the sector.

Since the collapse two months ago, office landlords and building owners have also been feeling jittery about signing on co-working operators as anchor tenants in their buildings. However, JustCo, the leading Singapore-based co-working space provider, plans to continue expanding aggressively across Asia, says its founder and CEO Kong Wan Sing.

“It’s true, we have noticed that landlords and building owners are more cautious and are naturally getting more selective of the co-working space operator that they choose to work with,” says Kong in an e-mail response to queries from The Edge Singapore.

But he is confident that the disruption of the commercial real estate space by co-working will persist. Says Kong, “We will continue to break down the walls of traditional offices.”

Kong cites “strong and sound corporate governance, and financial prudence” as JustCo’s main differentiating factors. He also believes the co-working space has great growth potential in Asia as it currently occupies just 5% of the commercial real estate space in the region.

Just last week, JustCo made its first foray in Japan by announcing it had formed a new joint venture with Japanese construction and real estate giant, Daito Trust Construction Co.

The joint venture JustCo DK (Japan) Co – 51% owned by Daito Trust and 49% owned by JustCo – will invest US$74 million ($101 million) to help JustCo expand in Japan. The target is to open seven to nine centres in Tokyo between 2020 and 2021. The addition of these new centres will increase JustCo’s regional presence to eight markets across Asia Pacific, namely its home market in Singapore as well as Australia, China, Indonesia, Japan, South Korea, Taiwan and Thailand. Indeed, with close to 46 centres at present, Kong says “JustCo is the only Asian co-working space provider with a multi-city presence across the region”.

Some building owners and property developers are also starting to manage their own co-working spaces. Examples include Keppel Land’s Kloud at Keppel Bay Tower, Lendlease’s maiden flexible workspace brand csuites at Paya Lebar Quarter and Aumun Land’s launch of Core Collective and Collision8 (now Found8). However, Kong is not overly concerned as “these players operate on a different business model that appeals to a different target audience”.

Within the co-working realm, there has been a shift in relationship between co-working space providers and building owners, observes Kong. For instance, GuocoLand appointed JustCo to manage its co-working space at 20 Collyer Quay in April. JustCo will introduce a multi-faceted co-working community that will allow other tenants within the building to enjoy its communal spaces — such as the café, lounge and event spaces — as well.

In May last year, JustCo was also appointed by telecommunications giant Verizon, to manage its first Asian Innovation Community Space at Ocean Financial Centre in Collyer Quay. According to Kong, Singapore continues to be one of the strongest markets for JustCo, with average occupancy rate of 90% across all its centres.

And despite the economic turmoil after five months of protests, Hong Kong is still one of the key economic centres in Asia Pacific. “Hong Kong holds great potential for co-working and it is in our pipeline for expansion,” says Kong. In fact, the current situation in Hong Kong could also be an opportune time for JustCo to enter the market. The economic uncertainties have led to an increase in demand for flexible workspaces from large multinational corporations including Fortune 500 companies, who see value in workplace flexibility, cost savings and community engagement, notes Kong.

Elsewhere in Seoul, South Korea, the firm also launched its eponymous JustCo Tower in July. The 16-storey, multi-level co-working building is billed as the first “smart building” to pilot the use of JustCo’s proprietary workplace solutions and technology.
Steelcase’s office on 57 Mohamed Sultan Road is a flurry of activity. In a meeting room, some employees are huddled over a desk, standing up. Others are working in an open area on desks divided by cheerful prints. The interior of the Nasdaq-listed, US-based furniture company is decked out in fancy fittings: half like a showroom for its offerings, and half embodying the zestful vibe of a swanky co-working space.

Steelcase has designed its office the way it believes how the modern workforce needs it: mobile, visual, and promoting collaboration. The furniture company has found, through its study of high-performing teams globally, that the modern workforce is now working at a faster pace, and at an increased level of collaboration. Many of the teams have embodied agile behaviour, which is a set of principles derived from software development, allowing teams to execute swiftly, revisit the project, and iterate at every stage of the process. Such teams shift between different modes of work: holding group meetings and breaking off to attend to individual tasks.

In line with that, Steelcase has rolled out a collection of furniture and accessories to meet the needs of modern teams, with a focus on mobility. Called the Steelcase Flex, these include movable desks, tables, markerboards, carts and screens. Their mobility is helped by wheels, directional rollers and glides. The fittings are also made of light-weight materials for ease of shifting. Privacy was also a consideration in the workplace design. Boundaries and screens are adjustable, providing the right amount of privacy for team and individual needs. Employees can also pin notes or write their thoughts down on the screens, allowing for a visual display of ideas.

The new furniture has been designed to deliver control to workers, allowing them to “reconfigure their spaces in a matter of minutes”, comments Samantha Giam, product marketing director for Steelcase Asia Pacific. Indeed, “to collaborate and work in new ways, teams need the flexibility to change how and where they work”, she adds.

“Two thirds of our clients have told us that agility and the ability to scale quickly is one of the most important factors for the growth of their business,” said Samit Chopra, executive vice president of enterprise & sales at global office space provider IWG, at a panel discussion at the unveiling of Steelcase’s new collection.

Chopra has also observed that more of his customers are working outside of their office more frequently – evidence that mobility is key to today’s workspace planning. However, current offices are designed based on traditional workplace habits, Steelcase observes. For instance, tables are fixed and do not support the kind of physical movement needed for impromptu group discussions.

With the changes in working habits, “we will see a lot more technology being used to analyse the spaces – how they’re used, why they’re used”, reckons Toby Rakison, managing director for Australia, New Zealand and South East Asia, at Steelcase. Data would then help in decision-making on how to best utilise workspaces, he adds.
One Holland Village Residences ignites interest in the Holland Road-Farrer Road area

BY CECILIA CHOW

Despite being launched so close to the year-end holidays, One Holland Village Residences achieved sales of 98 units, or one-third of the total of 296, within a week of its launch in late November. Units in its high-rise, 34-storey tower achieved an average price of $2,600 psf, while the units in the low-rise blocks hit an average of $2,900 psf. The luxury residences within the development set a new threshold at $3,200 psf.

The One Holland Village mixed-use development is jointly developed by Far East Organization, Sekisui House and Sino Group.

In the lead-up to One Holland Village Residences’ launch, there were a number of resales of older, larger condo units in freehold developments in the Holland Road-Farrer Road neighbourhood. At Leedon Residence, for example, three units changed hands in November. Prior to that, there had been no transaction since February. The 381-unit, luxury condo developed by GuocoLand was launched in 2012 and completed in 2015.

The latest transaction at Leedon Residence was for a 2,131 sq ft, three-bedroom unit on the sixth floor that fetched $4.88 million ($2,290 psf), according to a caveat lodged on Nov 21. The unit was first purchased for $3.9 million ($1,828 psf) in September 2012.

Prior to that, another three-bedroom, sixth-floor unit of identical size sold for $4.18 million ($2,196 psf), according to a caveat lodged on Nov 19. The price is

RESIDENTIAL TRANSACTIONS WITH CONTRACTS DATED NOV 19 TO 26

Singapore – by postal district

PROJECT NAME | PROPERTY TYPE | TENURE | NETT PRICE ($ PSF) | COMPLETION | TYPE OF SALE
|-------------|---------------|--------|------------------|------------|-------------------|
| MARINA ONE RESIDENCES | Apartment | 99 years | Nov 20 | 1,511,000 | Resale
| ONE SHENTON | Apartment | 99 years | Nov 21 | 2,500,000 | Resale
| ARTRA | Apartment | 99 years | Nov 24 | 1,755,200 | Resale
| A VENUE SOUTH RESIDENCE | Apartment | 99 years | Nov 22 | 1,403,000 | Resale
| A VENUE SOUTH RESIDENCE | Apartment | 99 years | Nov 22 | 1,322,000 | Resale
| A VENUE SOUTH RESIDENCE | Apartment | 99 years | Nov 23 | 1,346,000 | Resale
| MARGARET VILLE | Apartment | 99 years | Nov 22 | 1,560,552 | Resale
| STIRLING RESIDENCES | Apartment | 99 years | Nov 21 | 1,202,000 | Resale
| MARGARET VILLE | Apartment | 99 years | Nov 23 | 1,529,094 | Resale
| STIRLING RESIDENCES | Apartment | 99 years | Nov 22 | 1,944,000 | Resale
| MARGARET VILLE | Apartment | 99 years | Nov 24 | 1,845,000 | Resale
| STIRLING RESIDENCES | Apartment | 99 years | Nov 22 | 2,532,000 | Resale
| STIRLING RESIDENCES | Apartment | 99 years | Nov 23 | 1,883,000 | Resale

DONE DEALS

Prior to that, another three-bedroom, sixth-floor unit of identical size sold for $4.18 million ($2,196 psf), according to a caveat lodged on Nov 19. The price is...
<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>PROPERTY TYPE</th>
<th>TENURE</th>
<th>DATE</th>
<th>LAND AREA/NETT PRICE</th>
<th>COMPLETION</th>
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<tr>
<td>District 19</td>
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Source: URA Data - Updated Dec 2, 2019

DECLARATION: The Edge Property Pte Ltd shall not be responsible for any loss or liability arising directly or indirectly from the use of, or reliance on, the information provided therein.
Resale unit at Strata reaps $1.1 mil profit

Top gains and losses from Nov 19 to 26

<table>
<thead>
<tr>
<th>Most profitable deals</th>
<th>PROJECT</th>
<th>DISTRICT</th>
<th>AREA (SQ FT)</th>
<th>SOLD ON (2019)</th>
<th>SALES PRICE ($ PSF)</th>
<th>BUILT ON</th>
<th>PURCHASE PRICE ($ PSF)</th>
<th>PROFIT ($)</th>
<th>PROFIT (%)</th>
<th>ANNUALISED PROFIT (%)</th>
<th>HOLDING PERIOD (YEARS)</th>
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<tbody>
<tr>
<td>1. STRATA</td>
<td>11</td>
<td>1,636</td>
<td>Nov 22</td>
<td>1,345 Jan 29, 2004</td>
<td>701</td>
<td>$1,052,705</td>
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<td>4. PANDAN VALLEY</td>
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<td>12. CASA MERAH</td>
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<td>13. PALM GALLERIA</td>
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<td>14. SEASONS VIEW</td>
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<td>15. MEADOWLIDGE</td>
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<tr>
<th>Non-profitable deals</th>
<th>PROJECT</th>
<th>DISTRICT</th>
<th>AREA (SQ FT)</th>
<th>SOLD ON (2019)</th>
<th>SALES PRICE ($ PSF)</th>
<th>BUILT ON</th>
<th>PURCHASE PRICE ($ PSF)</th>
<th>LOSS ($)</th>
<th>LOSS (%)</th>
<th>ANNUALISED LOSS (%)</th>
<th>HOLDING PERIOD (YEARS)</th>
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<td>1. VIDA</td>
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<td>2. ONE SHENTON</td>
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<td>3. THE GLYNDEBOURNE</td>
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<td>5. PARC SOPHIA</td>
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<td>10. GLENDON TOWERS</td>
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<td>Nov 21, 2009</td>
<td>1,205</td>
<td>18,000</td>
<td>0</td>
<td></td>
<td></td>
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<td>11. THE LUXURY</td>
<td>19</td>
<td>1,478</td>
<td>Nov 23, 2015</td>
<td>1,504</td>
<td>12,000</td>
<td>2</td>
<td></td>
<td></td>
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<td>12. SELETAR SPRINGS</td>
<td>28</td>
<td>1,315</td>
<td>Nov 26, 715</td>
<td>Dec 11, 2014</td>
<td>718</td>
<td>3,000,000</td>
<td>0.3</td>
<td></td>
<td></td>
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<td>0.1</td>
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A 624 sq ft, one-bedroom unit at Balcon East, along Upper East Coast Road in District 16, will be put up for its second auction on Dec 11 with a guide price of $775,000 ($1,241 psf).

According to the auctioneer at Edmund Tie, this is a mortgagee sale and the freehold property was first put up for auction on Nov 20 with the same guide price. The second-floor unit will be sold with vacant possession, on an “as is where is” basis.

The unit is “very spacious” and the en suite bedroom is “able to fit a king-sized bed”, says Joy Tan, head of auction and sales at Edmund Tie. She adds that the one-bedders at newer developments “now range from about 400 to 500 sq ft”.

Tan says that the unit, despite being on the second level, is “bright and airy”. It comes with a living and dining area, an open-concept kitchen, and a balcony.

According to a caveat lodged with URA Realis, the previous owner purchased the unit at the same price in October 2011. “At $1,241 psf for a freehold development, it is certainly attractive, as newer launches such as freehold Sea Pavilion and the 99-year leasehold Seaside Residences cavedated at the $1,600–$1,700 psf range for lower-floor units,” says Tan.

Developed by Feature Land, Balcon East was completed in 2011, and comprises 37 units across five floors. It is a six-minute walk to the upcoming Bayshore MRT Station on the Thomson-East Coast Line, which is due to open in 2023. According to Tan, the development is also within walking distance of East Coast Park.

There has been interest in the unit from singles, small families, and younger investors, says Tan. “The development will attract tenants working in Changi Airport and Changi Business Park – both within a 10-minute drive away – and also those looking for future capital appreciation once Bayshore MRT Station commences operation,” she adds.
almost on a par with the purchase price of three- and four-bedroom units in two 4-storey blocks and 13 three-storey, five-bedroom townhouses. The freehold residential development by Straits Trading Co was completed in 2002.

A 2,992 sq ft, three-bedroom apartment at Gallop Green changed hands for $5.4 million ($1,880 psf) in August 2012. Meanwhile, a 4,187 sq ft townhouse was sold for $7.63 million ($1,822 psf) in early November. This was lower than the $8.29 million ($1,980 psf) that the unit changed hands at in May 2013. The $1,980 psf was the highest psf price achieved in the development to date, based on caveats lodged with URA Realis.

At the 248-unit, freehold condo Parvis on Holland Hill, a 1,701 sq ft, three-bedroom unit was sold for $3.26 million ($1,817 psf) last month. That same unit changed hands for $3.12 million ($1,835 psf) in July 2013.

The latest transaction at Leedon Residence was for a 2,131 sq ft, $4.6 million ($2,158 psf) 3½ years ago.