

Must Read



The Arte vs. Vista Residences Part 1

A couple of readers have expressed their interest in the two new residential projects: The Arte and Vista Residences. To kill two birds with one stone, I decide to do a write up on these project since they are pretty similar in nature. The Arte and Vista Residences are both located at the Jalan Dusun; both developed by big property player; they are of 2 residential towers of 35/36 storeys, and they both boast unit views towards MacRitchie Reservoir and city views.

The Arte by City Development Ltd is sitting at the site belonged to the old apartment blocks of Lok Cho Apartments, Comfort Mansion and the walk-up apartment block along Jalan Raja Udang off Balestier Road. City Developments Ltd had altogether snapped up a total of eight sites in en bloc purchases in 2006 and 2007, which also included The Albany, Thomson Mansions and Concorde Residences on Thomson Road; as well as Bright Building, Balestier Court off Balestier Road. (Another project Cube 8 is occupying the sites of the Albany & Thomson Mansions).

The Arte is 'so-called' designed by the renowned SCDA Architects led by principal Chan Soo Kian. The firm is known for its upscale condominiums like Nassim Park Residences, BLVD, The Ladyhill, and The Marq on Paterson. However I found no trace of the SCDA architectural style, sleekness and elegance in its harsh and bulky design. (Actually I was informed that the nature of the construction contract is actually a Design & Build by the main contractor, and SCDA was only assigned of the design concept, not the project implementation. However I have yet to verify this statement. If you have any information on this, kindly drop me a note on this.)

VISTA RESIDENCES is another residential project by Far East Organization, designed by TAA architect. It is sited on a 120,000sqft, L-

shaped piece of land, which is just directly next to the Arte. If I could recall correctly, the site used to be occupied by rows of terrace housing. (I should have the foresight to take photos of these places before they were gone... Things are just happening in Singapore so fast that you have to record them down so you are sure that they were actually there before.....)

For your easy reference, I have done up a comparison table for your easy perusal:

Pricing

Development	The Arte @ Thomson	Vista Residences
Property	Condominium	Condominium
Developer	City Developments Limited	Far East Organization
Tenure:	Freehold	Freehold
Expected Completion:	2010	2015
# of Units:	336	282
Unit Types	Larger units available only: 2 bedroom ~ 1,055 sqft 3 bedroom ~ 1,399 – 1,625 sqft 4 bedrooms ~ 1,873 – 1,873 sqft	Variety of sizes of units available: 1 bedroom ~ 646sqft 2 bedroom ~ 926sqft 3 bedroom ~ 1109-1249sqft 4 bedroom ~ 1292-1313sqft Penthouse ~ 3229-3519sqft
Number of Storeys	2 towers of 36 storeys	2 towers of 35 & 36 storeys (2 tower blocks are almost as tall as a typical 44-storey since the 2nd level starts at 7th storey)
Architect	SCDA	TAA Architect



keithyip

real estate | sights | news | thoughts

Project launched prices would be very much determined by the economic condition of the period, therefore the project launch date. Let's take the Arte as an example: It was launched in early 2009 when the economic sentiment was still very poor. Therefore CDL took a price slash and launched it at an average of \$900 psf. It was a hit and many units were sold. The developer also offered buyers an interest absorption scheme (IAS) initially, however it was not revealed how many buyers took it up. Today, all units have been sold out.

Few months later, Vista Residences was launched in a much improved economic condition. Therefore the launching price also shot up to an average of \$1000 psf, which we are talking in terms of more than 10% more than the Arte though they were just 3 to 4 months apart in terms of the launching date.

As to date, many subsale units at the Arte were transacted at more than \$1100 psf, while Vista Residences are seeing many transactions close to \$1300 psf. We are definitely seeing the high optimism and exuberance in the property market.

Location & Accessibility

Thought both developments are sitting in the Balestier areas, both projects have been marketed as 'exclusive developments located in the Novena & Thomson precincts'. Though it is with no denial that Novena & Thomson sound more premium in terms of its precinct due to its location, the developers should faithfully believe in its development's intrinsic location rather than sounding up gimmicky marketing gestures to consumers. After all, Balestier's image has very much improved with URA's effort to clean up the sleazy trades it used to have. In addition, there are so many things and features unique about Balestier that we Balestierians are so proud of: its history and architecture, and its popular food streets and its everything. (Sorry, the marketing acts of the developers have somehow hurt the super ego of the Balestierian like me....)

Both projects are sharing Jalan Datoh for access. Due to its proximity to the highway, the area is highly accessible to all parts of Singapore. However Jalan Datoh is relatively a narrow single direction road with PIE filter into Balestier, the road will be relatively jammed up especially during the peak period and after more than 600 new families moving in after the Arte & Vista Residences are completed. It applies to the adjacent Balestier Road and Thomson Road as well.

Nearest MRT Station

Regardless of the market lines telling you that the Arte & Vista Residences are just steps away from Toa Payoh MRT station, you have to walk at least 15 minutes to reach the Toa Payoh MRT Station under no continuous shelter linkway and exercise by walking up the slope to reach the destination. I would suggest that taking bus down to Novena MRT station is much a better and faster option for the end users.

New Balestier Skyline

I also hold high anticipation to the new skyline these new developments, including Cube 8 is going to change the outlook of Balestier. This must be quite an exciting view if you driving past PIE viewing towards the Balestier area, with beautiful sleek skyscrapers fronting the gantry towards District 12.

The Arte vs. Vista Residences Part 2

CONDOMINIUM DEVELOPMENTS IN BALESTIER

There has been a lack of full-fledged condominium developments in Balestier, which is dominated by old apartments. De Royale in Balestier is the only one condominium development I can think of. Pavilion 11 does not come with tennis court, therefore I do not consider it a true condominium development despite of it has 180 units in one development.



keithyip

real estate | sights | news | thoughts

However we are going to have these 3 full-fledged condominium developments side by side in a same area, led by CDL's the Arte to be completed soon (I am seeing the hardscape and softscape works are in progress now), followed by Cube 8 & Far East Organization's Vista Residence. Three projects have relatively large site area and spacious communal area with dense tall towers housing all the residential units. They all boasts extensive facilities, from large swimming pools, to garden walk, jogging track, playground, gym, green terraces (with Vista & Cube having sky terraces), to the tennis court provision.

FACILITIES

The Arte @ Thomson features 50 metre lap pool, children's play pool, sun deck, cabanas pool deck, steam baths, work-out room, yoga court, reflexology walk, garden walk, jogging track, sculpture plaza, arrival plaza, reflective pool, water court garden, eco pond, workout station, children's playground, tennis court, party lawn, grill garden, clubhouse, party deck, outdoor lounge, basement car park, and 24-hour security.

Vista Residences also feature a 50 metre lap pool and lagoon pool, basket ball half court, and garden areas. However it is different from the Arte which have practically all communal areas at the ground level. For Vista Residences, the 2nd floor of each tower is a lounge area, while sky terraces are found on the 24th floor (T1) and 23rd floor (T2) respectively. Both blocks are connected to a separate podium block each – this is where the multi-storey carparks are located. On the rooftop of podium 1 is a tennis court and 2 garden pavilions (with kitchen and BBQ facilities), while 2 other garden pavilions, a bicycle track and a children's play area are on rooftop of podium 2.

In Vista Residences, the placement of the communal areas at different levels has allowed residents to enjoy good views if they are not blessed with staying at high levels. Sky terraces definitely add value to the facilities premium value.

CARPARK

In the context of high end residential developments, basement carpark provision has become a must. The Arte comes with a basement carpark, which is more popular with residents. One needs not need to be concern of weather, and the walking distance to the lift lobby will be definitely shorter than the use of separate multi storey carpark. Therefore for Vista Residences, it has invited criticism for the provision of 2 multi storey carpark, which one has to travel down from the carpark and travel up to the apartment again. It will be more of a hassle if you are tagged with grocery bags or tonnes of luggage.

Personally I do not detest multi-storey carpark. They are definitely much cheaper to construct. More importantly, I find them more environmentally friendly. Imagine we do not need to provide the costly mechanical ventilation and additional fire protection. If you are going GREEN, you should be going for something more practical and less energy consuming. Of course, this is my personal view, which might not be agreed by the end users who have paid millions to enjoy the lifestyle of luxury.

SITE PLANNING

The Arte is blessed with a large rectangular site easier for planning. The 2 towers are located at the centre of the site with the adjacent open spaces given to communal facilities. Personally I found the 2 towers being too design too close to optimise the view. In addition, it would have been more ideal if the 2 towers were to be site further from the PIE highway, with more acoustic barriers designed along the boundary in response to the harshness from the road traffic. Dust is another problem that it would face.

In comparison, Vista Residences is sited at a L-shaped plot which is less efficient in its site planning. In the site planning, the architect decided to detach 2 towers apart, with one orientated towards the Mac Ritchie Reservoir and the other block towards the rear



keithyip

real estate | sights | news | thoughts

development facing the adjacent, the Cintrine, in North South oriented in consideration.

UNIT ORIENTATION AND UNIT TYPES

From the earlier site plan illustrating the three development (Cube 8, the Arte, Vista Residences), it reflects the priority of view over basic thermal comfort consideration. It is apparent that all architects have been orientating the buildings premium view towards MacRitchie reservoir and siting the blocks carefully as to optimise the view 'out'. However it is not possible to eliminate all negative factors that there are some unit stacks will be having blocked views.

Most buildings are orientated towards the Reservoir view, therefore giving most building façades with North West exposure. With today's design with full height glazing, it would result in immense heat gain unless with sun shading features properly used. Maybe it has been taken for granted that every unit will be mechanically cooled in today's context, that I found the immense amount of glazing used in all developments to be too excessive and not environmentally friendly.

The Arte comprises of a total of 336 units. It, in comparison to Vista Residence, boasts larger units — two bedrooms at around 1,055 sq ft, three bedrooms from 1,399 to 1,625 sq ft, four bedrooms of 1,873 sq ft, eight units of 2,896 sq ft sky suites and 10 sky villas of up to 4,000 sq ft. Vista Residences has a total of 282 units. It offers a popular 1 bedroom unit of 646sf, 2 bedroom of 926 sf, 3 bedrooms of 1109 to 1249 sf, 4 bedrooms of 1292 to 1313 sf, and the penthouses of 3229 to 3519 sf.

UNIT DESIGN FEATURES

In terms of design unit layouts for the Arte & Vista Residences, they are pretty standard. Basically, one enters into the living area attached at the back with a kitchen, with a corridor leading to the rooms.

However there are 2 main features differentiating them: the spacious balcony in the Arte and the bay window in Vista Residences.

The Arte unit layouts come with spacious balcony (big enough to put in a dining table) and planter boxes, with most of balcony spanning across to bedrooms areas. I personally do not favour the continuous balcony from living to bedrooms, since it has somehow blurred the areas of semi open area in living and private area in bedrooms. Can you imagine if your guests standing at your living balcony enjoying the outside view, and somehow get a glimpse of you in pyjamas in your bedroom? Though you may be able to do up divider and screening in between the balcony, I still do not find the space planning is efficient. I personally like spacious balcony, however it should be fully functional and useable.

I personally find the spatial design for Vista Residences more efficient and design friendly.

We do not have much area dedicated for bay windows in the Arte. However Far East is still trying to optimize the area for bay window for Vista Residences before the change in the GFA ruling. The bedroom areas in Vista Residences are generally smaller than the Arte. With the adoption of bay windows, it is not helping much to the internal spaces. To me I do not find bay windows much of useable areas except for sitting, placing books or displaying photo frames. It applies especially for small bedrooms. To me, it is just the loophole that the developers are exploiting since they are being charged the same price of the exorbitant saleable area in the S&P agreement.

NOISE/ DUST POLLUTION

My concern for the stacks closest to the PIE highway is the noise pollution, since the traffic volume has been very high. The noise level could be unbearable during peak hours, and the condition could be worse at higher level. I visited the site to check out the noise level. The continuous pitching sound from the PIE highway was rather unbearable, and I was there during the off peak hour. I could imagine



keithyip

real estate | sights | news | thoughts

the noise pollution would be rather serious during the peak. However I believe many buyers of the developments are well aware of the site condition, and noise pollution is definitely not on the top of their list in the decision making. One thing you may need to take note is that, the higher the floor, the noisier it is as the sound always travels upwards. (in a way of saying, you are exchanging the noise level with better view)

The use of balcony in the Arte and Vista Residences could bring about another problem. Sliding doors are provided at areas for access to balcony. And sliding doors system is considered one of the weakest systems in acoustic treatment, since the sliding profile of the aluminium tracks does not allow airtight closure and have high leakage of noise. The residents facing the PIE highway are not able to shut out the noise fully by closing the doors at night. Of course, this is my personal knowledge of glazing and aluminium system technology. The projects may have adopted an approach resolving the tricky noise issue.

Since Vista Residences is sited further from the PIE, separated by a wide canal, it may suffer less than the Arte. And the block with stack 01 to 06 may be the least impacted, with the rest of blocks in the Arte & Vista Residences blocking and softening the road noise. However in terms of viewing, the lower storey units are basically blocked by the adjacent developments like the Citrine and Gallery Fifteen.

EXPECTED TOP

I would always like to purchase something with certainty. When the Arte is being launched, the site has commenced work. Therefore the buyers could anticipate the TOP to be in one to two years time. As for the case of Vista Residences, the anticipated TOP is 2015. If you visit the show room today, it is evident that the site has not commenced any work yet. If I am going to sink in my booking money and pay up according to the progress payment, I will feel that I am being locked into a position in the coming 5 years, without knowing the global economic impact in so many years. That is not something that I would

feel comfortable, since there is simply too much uncertainty in today's economic sector. Who knows that the property will sink in 3 years time, making today's purchase appear far too expensive?

Though there may be worries over the over crowding and pollution concerns, I still think that there will be more positive elements arising from the developments. With much of the rejuvenation activities in Balestier area, I hold much anticipation to the place newly make over. It is with much excitement that Balestier will be transformed into an area popular with high end residential area, fighting the glory of Newton & Novena area, yet retaining its unique and colourful historical character in Balestier.

Zhong Shan Park along Balestier Rd is commencing construction works!

We bypassed the Zhong Shan Park site, and found that the construction works is getting started. Looking at the scale of the development, I could imagine that the residents around may be concerned of the noise it could generate during the construction period. However it is the sacrifice to be made for the better amenities and convenience they are getting in future.

Would like to have a quizz with the keithyip.com readers. There have been so many construction sites around us. Have you ever wonder what is the nature of works being carried out? Looking at the above 2 pictures taken from Zhong Shan Park, are you able to tell me what are the piles of stone blocks doing there?

Let's see we are able to get the answers from our knowledgeable readers:)



keithyip

real estate | sights | news | thoughts

A&A works to the overhead bridge linking Toa Payoh & Balestier for the Whampoa Park Connector

Remember I mentioned that the distance between Balestier and Toa Payoh in my earlier article is actually pretty short, if you are using the overhead bridge linking up the two areas.

Currently there is A&A works being carried out at the area. It seems that there is some upgrading works to the existing overhead bridge as well as the park area over Jalan Rajah. Barrier free ramps are being built at the 2 ends of the overhead bridge; while there is landscaping design works at the park over Whampoa area. All these works are considered part of the enhancement works to the Whampoa Park Connector.

I would have hoped for a covered walkway and overheadbridge for the works. It would definitely facilitate the flow between the 2 areas. In actual fact, there are many Balestier residents using this overhead bridge to use the Toa Payoh MRT for their works and school.

The Whampoa Park Connector runs along Sungei Whampoa. It starts at Toa Payoh Town Park and joins up with Kallang Park Connector near the Kolam Ayer Waterfront. It takes you through Kim Keat, Whampoa, Bendemeer and Kallang. Park users can get to see many fishes in Sungei Whampoa and enjoy a wide range of food outlets along the Balestier Road (some operating round the clock) and Bendemeer Mall. Users might want to note that the park connector cuts through many roads and the connectivity at these road crossings is not continuous.

Mobile Library the Molly is coming to Balestier!

Complaining of NO LIBRARY in Balestier area for our kids? Though Whampoa area has many HDB flats, Balestier still lags behind HDB towns like Toa Payoh, Ang Mo Kio and Pasir Ris in terms of communal facilities like library and community centre.

Fear not! National Library Board's (NLB) mobile library Molly is coming to Jalan Rajah Blk 105, from 3pm to 6pm, Sunday, 14th Mar 2010. Feel privileged for Balestier Residents, since it is the first service they provide to HDB areas.

This mobile library is a donated bus that was retrofitted into a self-sufficient library-on-wheels. It can carry on board up to 3,000 books out of its total collection of 20,000 at one time. Do join us on 14th Mar 2010!

Developers' wild ride

This Saturday Straits Times covered quite a thorough detailed report on the property sector, its roller coaster rides over these past 2 years. It has somehow prompted me to review several property projects in retrospect.

Still remember the small player, Bravo Building construction turned developer? It defaulted its collective sale deals in \$516 million Tulip Garden in Holland Road, by forfeiting its \$25.8 million deposit in April 2008. During the turbulent period, many developers suffered under the hand of the financial crisis. And it has been more unforgiving to the small players that do not have a strong holding power to weather through the ups & downs. At the same time, we saw the big players with deep pockets are able to ride through them by cutting prices to attract buyers and changing floor plans to suit the



keithyip

real estate | sights | news | thoughts

market. Far East Organization and CDL had responded the market negative forces well.

One particular collective sale deal has caught my eye. The Lincoln Suites project, an upmarket freehold condo in the Novena area, that has been adapted to create smaller units than first planned. The developers – Koh Brothers, Heeton Holdings, KSH Holdings and Lian Beng Group – acquired the Khian Guan Avenue site for \$243 million. The deal was done at the height of the property boom in June 2007. With land area size of 55,727 sf and plot ratio of 2.8, Gross Floor Area worked out to be 167,955 sf. It was then estimated that the \$243 million forked out worked out to \$1,449 psf per plot ratio (ppr) including an estimated development charge (DC) of \$413,000.

The project was put off with the financial crisis hitting all nations world wide. Right now, with the market gathering recovery, Lincoln Suites, the project for 175 units was rolled out with first phase at an average price of \$1,680 per square foot (psf).

How this project be possibly launched at \$1680 psf while the land cost is already at \$1449 psf? Mr Koh from Koh Brother explained months back during their launch that they had a better baseline than thought, which resulted in a lower land cost of \$1,280 psf per plot ratio. (Though I still not able to figure the calculation on the waiver of development charge of only \$413,000 will result in such big reduction).

Whampoa Food Centre & NTUC Fairprice store

We came to Whampoa Drive Food Centre Blk 91 for breakfast. It was as packed as it was public holiday. It seemed that everybody are still in the Chinese New Year mood.

Having few days' CYN feasts, we decided to settle for something 'less sinful'. We ordered two plates of vegetarian bee hoon from Keat Lim Vegerian, #01-47/48 after 15 mins queuing. They tasted pretty good, especially the mock goose (which is a must for vegetarian bee hoon for me).

After breakfast, we headed to the nearby Fairprice Store at Blk 80, Lorong Limau Road for grocery. Frankly speaking, it is one of the worst layout space for supermarket. The layout is simply so irregular and too shallow in depth for proper display of products. The place is also pretty maze like. We also hated queuing at the cashier since it has practically no space for queue. Given a choice, we would rather patronise the Fairprice at Shaw Plaza Balestier which is nearby too.

I append herewith the Fairprice stores in the region for for all

Address	Operating Hours
Blk 43 , Cambridge Road , #01-15, SINGAPORE 210043	07:00 AM- 10:00 PM
Blk 80 , Lorong Limau Road , #01-191, SINGAPORE 320080	07:00 AM- 10:00 PM
360 , Balestier Road , #B1-01, Shaw Plaza, SINGAPORE 329783	08:00 AM- 10:00 PM
10 , Sinaran Drive , #04-47/48/49, Square 2, SINGAPORE 307506	09:00 AM- 10:00 PM

Balestierians' easy reference



keithyip

real estate | sights | news | thoughts

Latest Property Anti Speculative measures released

The Government has released 2 anti-speculative property measures today following Sep 2009 measures to further cool the exuberance in the private market. These measures will be effective from tomorrow onwards.

1. A seller's stamp duty will be imposed on all residential properties sold within one year from the date of purchase
2. Loan to Value (LTV) limit to 80% will be imposed on all housing loans

I personally think the measures have come on time due to the speculation we could see in the private market together with the housing spikes over the few months. Other than waiting for the bubble to form, the Government has taken some steps that many developers would definitely hate to see. Let's see the impact it has on the many anticipated projects lining up after Chinese New Year.

The Albany & Thomson Mansion making way for the New Cube 8

This is the site that the new Cube 8 by CDL will be located. Currently it is sitting the old development of the Albany & Thomson Mansion. They were acquired by CDL in 2006 & 2007. The Albany was acquired for \$65mil with a plot ratio of 2.8, with an additional of development charge of \$174,000 (which is insignificant to the developer). Not sure if you could recall just a year or more ago when all nations were suffering from economic crisis from the credit crunch, many new developments were held back and deferred. The Albany and Thomson Mansion were one of them. The developers had delayed chasing out the old owners by charging a rental fee,

and giving out master lease in leasing the vacant units to students and workers. They were very popular since after all these are good location. Therefore The Albany and Thomson Mansion short term leases were particularly popular with the East Asia Institute of Management (EASB) foreign students in Ah Hood Road.

Therefore you are still able to see the existing developments standing there, rather than in the process of demolition since the Cube 8 has been sold so well. It is no reason why the developer does not rush to complete the project fast and start collecting the money to pay off the hefty financing cost. I believe it must have to do with the lease contract with the tenant's term. However it is apparent that most of the units are being vacated now. So we should be seeing much of the demolition and construction coming along the way.

Personally I was surprised the Cube 8 was being priced at a challenging price tag of \$1250 psf and still able to be sold well. Maybe it is due to the rare title of freehold condominium that we are able to get with common facilities like tennis court, with other must have functions like gym, fitness area, children playground and others.

In last year March, the adjacent Arte by CDL was launched in a down period and was sold like hot cakes at an average price of \$880 psf. Here we are talking about a 40% increase in a less than 1 year time for Cube 8. Yet they are developments in the same location by same developers. Isn't it a bit ironic? So you wouldn't deny reckoning that real estate and stock markets are much driven by market sentiment, rather than the supply and demand factors.



The Albany & Thomson Mansion making way for Cube 8- Part 2

I have been away relaxing myself in the Chinese New Year season. Sorry if you have been checking out my blog yet have not been seeing my "presence"!!

Here I am continuing my study on Cube 8 from my previous article:

Cube 8 is a freehold condominium development located at 376 Thomson Road, Singapore 298130, in District 11, minutes' walk to Novena MRT Station. With an expected completion in 2017, it comprises of 177 units in a 36 storey tower. Cube 8 is close to MacRitchie Reservoir Park and Novena Square Shopping Mall.

This development has full condominium facilities. They include function room, gymnasium, wellness studio, games arena, gourmet's domain, fitness area, party deck, outdoor dining deck, BBQ deck, garden deck, children's playground, family pool, infinity swimming pool, jet pool, sauna, sun deck, tennis court and 24-hour security. Considering the market condominium provision, Cube 8 has been pretty generous in its provision of communal facilities.

In terms of view, Cube 8 commands relatively good view with no near future threat of development blocking its view. With the intended orientation, many units should enjoy unblocked views towards city and MacRitchie Reservoir Park.

Cube 8 is sitting on a sizable plot of land having easy access to city and other parts of Singapore via Thomson road, Balestier road and the adjacent PIE. It may face acoustic noise issue due to its proximity to the highway, especially the area of highway is the flyer over section of the PIE. The architect has tried his best to orientating the

building block, however there are 3 stacks 05, 06 & 07 nearest to the highway might suffer from noise pollution. Looking at the glassy design of the building, the architect might have adopted some noise reduction measure such as use of laminated glazing or others to effectively minimize the problem.

Below shows the types of units making up the 177 units.

1 Bedroom (560sqft) — 39 Units

2 Bedroom (~900sqft) — 58 Units

3 Bedroom (~1,300sqft) — 67 Units

4 Bedroom (~1,900sqft) — 9 Units

Luxury Penthouse (~3,000sqft) — 4 Exclusive Units

I did a rough arithmetical calculation on the development figures

- Total saleable area= 190,240 sqft
- Average selling price= \$1250
- Gross Development value = Total saleable area x avg selling price = \$238.8million
- Acquisition Cost of the Albany & Thomson Mansion = \$67 mil
- Development charge = \$174,000 (too insignificant for input later)
- Estimated Construction cost for luxury condominium psf = \$450psf \$400 psf (pls advise if you think the cost is not correct) = \$76 mil



keithyip

real estate | sights | news | thoughts

- Estimated Development Construction cost = \$86.6 mil
- Estimated Consultancy fee inclusive authority submission= 10% of construction cost = \$8.66 mil
- Miscellaneous cost i.e. financing, marketing, etc = 10% of GDV= \$23.88 mil

The estimated profit for CDL, GDV after less the construction cost and others, is \$76 million. Quite a profitable project. (Disclaimer: I am no expert in real estate development, therefore the above is purely the play of figures intuitively. Feel free to point out if there is something amiss:)

Afterall, Cube 8 has outperformed in the booming market. In the past January, URA's figures showed that another 350 homes sold were in the city-fringe areas, led by City Developments' Cube8 in Thomson Road – January's top-seller. Out of 177 Cube8 homes launched, 167 units sold at a median price of \$1,286psf.

I attach herewith the Cube 8 brochure for your perusal. If you are interested in Cube 8, and like my unbiased views towards all projects, you may want to reward me by engaging your agent so I could render my full fledged professional service to you (ha ha, I still have to advertise my realtor role now and then to make a living on it).

Diamond tower, Goodwill mansion and Waldorf Mansion going for Enbloc

Diamond tower, Goodwill mansion and Waldorf mansion will be the 3 residential developments going for enbloc launch this year. Other than Goodwill Mansion which is of 3 plot ratio, the rest of 2 are of 2.8 plot ratio. These 3 developments are relatively old, and appear pretty run down. They are located at quite strategic places, especially

for Diamond Tower sitting next to the up and coming Zhong Shan Park.

With the current launching price of more than \$1000 in the same region, I expect the residents will be expecting selling pricing not less than that. Though judging from the current built up, I do not see much of incremental plot ratio the developments are able to gain from. Looking forward to see the successful bidding price. Any guess from your end?

The Pet Cafe & Boutique in Balestier

These dishes look so delicious!!! Sorry, they are not for you. They are for the lucky pets who have the luxury to enjoy all these salivating appetizing dishes at a comfortable café located at Balestier area.

I would say that all pets and pet owners are simply spoiled for choice when they come by the Urban Pooch. It is the first dog café & boutique being opened in Singapore and it is currently run by its pioneer Miss Raye Tan. Other than are area, the shop also provide pet care and grooming services.

If you are just irritated that there is no place to turn to with your pet in the coming weekends, the Urban Pooch may be a right choice for you. And be rest-assured, the café also provides food for human like us, and they taste equally delicious as the doggie food !

Enbloc Fever Coming back

The fever for En-bloc is coming back, though there is more caution in the developers in acquiring the existing developments.

I would say enbloc is a unique phenomenon to Singapore, in which the private sector participate in bring about urban development. Prior to that, developers acquired lands solely from the Government Land



keithyip

real estate | sights | news | thoughts

Sales (GLS) programme. It had attracted much criticism, since Government paid too low a price and sold at too high a price for the land. Therefore URA looked into means to incentivize developers in rejuvenating existing residential areas, by increase in plot ratio and rezoning.

With the 1999 amendments to the Land Titles (Strata) Act, it has boosted supply of development land through en bloc sales. Every owner in the existing estate will like to hit the collective jack pot by going en-bloc. And we have seen in certain developments that the enbloc had turned ugly. In the Horizon tower, the Court of Appeal has ruled in favour of owners who objected to the S\$500 million en bloc sale after 2 years court case.

Enbloc phenomenon has creatively tied in private urban renewal with private forces, without the high-handed government intervention. Older building structures give way to new and modern developments that optimizes land use and provides improved amenities for local residents. However there are certain issues that I urge the government to pay attention to:

1. Difficult to tie in private urban renewal with public infrastructure and services enhancement: The existing infrastructure may not be able to support the increase in plot ratio, which we could see problems of traffic jam and over-crowding in certain areas
2. Undesirable change in character of local environment: with the intensification, we are seeing the loss of green open space and overcrowding issues
3. Early obsolescence of buildings leading to wasteful of national resources: The enbloc sales fever has accelerated the urban renewal process due to the market response to profit, rather than the need for rejuvenation of the area. To me it just seems to be a waste of resources if the building is relatively new and still physically sound yet is going for enbloc due to the site intensification incentivized by URA.

Former Shaw's Malay Film Studios at 8, Jalan Ampas in Balestier

Yesterday I posted on the article of the industrial building at 6 Jalan Ampas being successfully enbloc-ed, as well as the anticipated increase in enbloc activity due to the re-zoning to the region. My friend commented if the adjacent site at 8, Jln Ampas which is the former Shaw's Malay Film Studio would potentially be converted to residential development. It is currently sitting on a site which is already zoned as Residential site with 2.8 plot ratio.

If you are not aware, the above Google photo illustrates the old Malay Film Studio which was once famous in our parents' age. Below is the extract from the Heritage Trail Singapore:

You might be interested to check out the blog by the son of the director Jamil Sulong @ <http://sayaanakwayang.blogspot.com/2009/02/malay-film-studios-jalan-ampas.html> and the video showing the old studio.

A private apartment unit near city area for less than \$600psf!!!

With the recent HDB in Strathmore Avenue selling for more than \$674 psf, it sounds unbelievable that there is apartment unit selling less than \$600 psf. Moreover it is located near to city area, sharing the same district 12 as Balestier. (Pls note that I would only want to share this tip with my keithyip.com readers.....)

Sandwiched between the Boon Keng MRT station and Potong Pasir MRT Station, just next to the Balestier, Whampoa and Kallang, the private residential developments located at the St Micheal Road are somehow missed by many house hunters. For 2 bus stops distance each to the MRTs, the location is highly accessible with CTE & PIE



keithyip

real estate | sights | news | thoughts

highway just by the corner. If you are driving, it takes 5 to 10 minutes time to reach Orchard Road and Shenton Way.

This unit for sale is St. Francis Court, a leasehold development. Pls check <http://www.keithyip.myweb.sg/24> for details.

If you are looking only for freehold developments, there are many units I have on hand available from \$650 to less than \$800 psf. These are very attractive pricing, judging from the room for price appreciation they allow. (Another thing to share with you is that this area is starting to catch attention of many buyers, since I am also involved in the deal transactions:)

With the escalating residential prices in Balestier, you may want to divert your attention to this area which is similarly sharing premium factors in terms of location and accessibility as Balestier.

Do check out my property website <http://www.keithyip.myweb.sg/> for more details. If not, just drop me a note for me to get back to you.

Ng Teng Feng, The King of Orchard Road

Ng Teng Feng's news have been plastered over many headlines in these days. For the richest man in Singapore, he maintained an extremely low profile with not many people having seen his picture. With his death, many people are interested to get to know the story behind this mysterious man rising to the wealth with no money and education.

With the limited resources, SPH senior writer Wong Kim Hoh managed to squeeze the brief background and Ng Teng Feng rising from the first property of Far East Plaza to the empire today.

Industrial building at Jalan Ampas sold for S\$27.5m in first enbloc sale this year

There is increasing buzz and activities to Balestier area, with the latest Industrial building enbloc sale this year sold at \$275m. Judging from its intense participation from the market, we are anticipating more enbloc sale activities at the industrial area here has been re-zoned for residential use.

It may sound good news to Balestier, with the revamping along the way shedding off the shoddy past and image. However is Balestier getting too crowded, with the existing 3 lane road along the Balestier Road able to support the ever increasing traffic? What are your views? Welcome to drop your comments.

Leasehold or Freehold for you?

The receptiveness towards leasehold over freehold in Singapore has been improving over the years. Are the buyers more tolerant of the shortcomings of leasehold in the rising property market we are in now? Or there are simply not so many available freehold markets that we can pin our hope on inn buying in the land-scarce Singapore.

My gut feel for the rising acceptance of leasehold property is very much to do with the affordability of the leasehold unit in comparison to a freehold development. It is especially so for the HDB upgraders who find the price gap of a resale HDB and leasehold private to be relatively smaller. Moreover, HDB units are by nature 99 years leasehold. With the escalating HDB resale pricing, the idea of owning leasehold development with facilities does hold its attractiveness to certain buyers.

Another factor that many investors are interested in is the relatively high yield. Leasehold is most likely to fetch higher yield than freehold. Yield is the return based on purchase price: 2 similar pieces of properties holding different tenure will be likely to fetch the same



keithyip

real estate | sights | news | thoughts

rental, since the tenants will be indifferent to the status of tenure. As leasehold is of a supposedly lower purchase price, as a result it is able to give a higher return for yield. You may want to look at the higher yield in order to compensate for the decaying house value.

The price gap between freehold and leasehold narrows much in a rising market and widens in a down market. Therefore, you may want to be mindful that you are not able to get a satisfactory selling price should you be disposing in a bad time. And the problem may be compounded more with the accelerating depreciation rate kicking in after the initial years. Financing for a prospective buyer also poses a problem, since bank valuation has to factor in the lease in balance therefore the loan amount will be much restricted.

With HDB as a leasehold development still able to fetch record breaking price in many old and established locations, many Singaporeans start to look at leasehold developments more positively. However you have to be fully informed of the deal you are getting in. Check out the following article on the 'dirt cheap' landed terrace houses you are able to get from Singapore due to its limited lease tenure in balance.

This newsletter serves to compile all the articles of the particular. Due to the volume constraint, no pictures, charts and comments have been included. I still recommend all readers to check out the blog for the complete information.

Name	:	Keith Yip
Tel	:	+65 9681 7684
Website	:	http://keithyip.com
Email	:	contact@keithyip.com
Facebook	:	Keithyip.com Living in Balestier

