

Samsung Hub office floor sold at S\$3,250 psf

Sun Venture sells Level 8 to a HK party but plans to retain three other floors in the 999-year building

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The latest transaction at Samsung Hub (above) will be keenly followed by potential buyers of strata offices in nearby buildings.

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Singapore

THE eighth floor of the 999-year leasehold Samsung Hub has been transacted at S\$3,250 per square foot on strata area, totalling S\$42.6 million.

This reflects around 3.2 per cent net yield based on the monthly rental of slightly over \$10 psf at which the lease for the floor is said to have been renewed for a further three-year term starting September this year, said Sammi Lim, associate director (investment properties) of CBRE who brokered the transaction through private treaty.

Comprising four strata units adding up to 13,110 sq ft, the floor was sold by Sun Venture following an unsolicited offer by the buyer, which is a low-profile Hong Kong-based property investment company that has previously bought strata commercial units from Sun Venture in other buildings here.

CBRE's Ms Lim described the S\$3,250 psf for Level 8 of Samsung Hub as an "attractive (price) to the seller, given that it is on a lower floor compared with the most recent transaction in the building at S\$3,280 psf for Level 21 last October".

Market watchers said the transaction will no doubt be of interest to potential buyers of strata office units in the vicinity.

At GSH Plaza, agents are marketing strata office units of 480 sq ft to 1,700 sq ft, on Levels 3 to 15 of the 28-storey building, at S\$2,850 to S\$3,500 psf, with a bulk discount of 10 per cent given to those who buy an entire floor.

Word on the street is that there has been a dearth of takers for entire floors, so agents are trying to assemble individual unit buyers into consortiums for full-floor purchases. Cheque collection is in progress but some potential buyers are awaiting news of bigger discounts/incentives for bulk purchases. A planned VVIP launch of the project slated for today is said to have been postponed to April 8.

Formerly known as Equity Plaza, the property stands on a site with a balance lease term of about 73 years. The owner - a GSH Corporation-led consortium - is not seeking any lease top-up from the authorities. The building will undergo extensive refurbishment.

At Prudential Tower, which is on a site with around 80 years left on its lease, a KOP-led consortium that acquired 19.5 floors in the building last year has sold four half-floor units (either about 5,100 sq ft or 5,950 sq ft) on Levels 10, 11 and 19 at between S\$2,750 psf and S\$2,805 psf since last year. Prudential Tower has 30 storeys. Work is still in progress in terms of securing approval from the authorities for further strata subdivision of the existing strata titles - either half floor or full floor - into smaller units based on existing tenancies.

Over at Samsung Hub, Sun Venture also owns Levels 9, 10 and 11 in the 30-storey building along Church Street. It acquired the four office floors in the building from Ho Bee in August 2010 for S\$2,125 psf.

When contacted, Sun Venture managing director Alvin Teo said the company's other three floors are not available for sale. "We intend to hold the space for the long term, given the scarcity of freehold/999-year office space in Singapore."

The Singapore-based private real estate investment company is said to have funding from Taiwanese investors. It also owns Straits Trading Building in Raffles Place and 50 Scotts Road.

Sun Venture also jointly owns (with Low Keng Huat) the retail podium of Paya Lebar Square and Westgate Tower, comprising 20 levels of offices next to Jurong East MRT station.