

# Serangoon Plaza sold en bloc for \$400m

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Serangoon Plaza, which houses a branch of well-known retail giant Mustafa, has been sold en bloc in a deal that values the commercial complex at \$400 million. -- ST FILE PHOTO: SAVILLS SINGAPORE

BY FIONA CHAN

Serangoon Plaza, which houses a branch of well-known retail giant Mustafa, has been sold en bloc in a deal that values the commercial complex at \$400 million.

This makes it technically the largest collective sale of a commercial property on record, and the biggest en bloc deal since Westwood Apartments was sold for \$435 million in November 2007.

But in fact, less than 10 per cent of the building will change hands. This is because the company that owns over 90 per cent of the building has simply bought out the rest of the owners.

Feature Development, an associate of the Tong Eng property development group, had agreed to put up its share of Serangoon Plaza for sale, along with the other owners of the building's 128 strata office and retail units.

Savills Singapore brokered the sale and set an indicative price of \$360 million to \$368 million for the entire five-storey freehold building.

But Feature Development decided to throw its hat in the ring for the complex as well. It withdrew its representatives from the sellers' committee and put in a tender offer at arm's length, said Savills Singapore's investment sales director Suzie Mok.

The tender closed last Thursday. Feature's offer, which works out to \$1,946 per sq ft of maximum floor area, came in tops.

"Commercial property is currently the most vibrant (real estate) segment here, so Feature had to put in a strong bid," Ms Mok said, adding that it was "a clear-cut winner".

She noted that all the unit owners agreed to the building's sale, so the deal will not need the Strata Titles Board's approval.

Serangoon Plaza was built in the 1960s as President Shopping Centre and bought by Feature in 1984. Feature then sold a few units but retained more than 90 per cent of the building's space.

The firm is related to Tong Eng, which developed residential projects including Poshgrove East in East Coast Road and Treasure Place in Buona Vista.

Feature will not have to pay a development charge to redevelop Serangoon Plaza, which is under-utilising its space allowance. It sits on a 68,521 sq ft plot that can host a development with up to 205,563 sq ft of floor space. The complex's floor area now is only 104,765 sq ft.

The transaction caps a good year for collective sales of non-residential property. At least four other commercial and industrial buildings have been sold since January. They are: San Centre at Chin Swee Road, Bright Chambers in Bugis, and Henley Industrial Building and Pak Chong Building off Upper Paya Lebar Road.